




**World Villages**  
for Children



# ENDING POVERTY THROUGH EDUCATION

ANNUAL REPORT  
AND ACCOUNTS  
**2020**

## On the cover is **Reinery**



**Reinery is from San Francisco de Opalaca, Intibuca, in North Western Honduras.**

He is the ninth child in a family of twelve. His parents are uneducated and make a simple living as farmers. They don't enjoy good health and all the members of the family, right down to the youngest, work hard in the fields to help their parents make a living to feed them. Despite their efforts, there is never enough to eat and all the children are desperately hungry and malnourished. Reinery is twelve years old but like so many impoverished children in Honduras, his growth has been stunted by poor diet and he is severely under-developed for his age.

Last year during the pandemic, Reinery and his brothers and sisters struggled to sell the produce from their farming. They had no access to any form of education and then in November 2020 amidst the crisis, the family home was hit by Hurricane Eta. It destroyed their home and their entire livelihood.

The family appealed to the Sisters as Reinery's older brother is already at school with them, and with the kindness of our donors, we were able to fund an additional place at the school for Reinery. He joined the Sister's school in Honduras in Amarateca this January.<sup>1</sup>



Devastation caused by Hurricane Eta.



“

With the help of good hearted people I am here in Grade 7. I have in mind to have a good future. I want to be an electrician and here with my new learnings in my new home and school I can make that dream come true”.

Reinery  
NEW STUDENT OF THE SISTERS OF MARY PROGRAMME

<sup>1</sup> Reinery's brother is in his last year at school with the Sisters.

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## COMPANY INFORMATION

### Directors and Trustees'

Sister Elena Grengia Belarmino

Sister D L Cho (Sister Maria), Chair of Trustees

Nicola Lawson

John Graham, Treasurer (Appointed 18 April 2019)

Clare Bamberger (Appointed 4 July 2019)

Sister Teresita Mendoza Prudente (Appointed 17 September 2019)

Sister Y Cheong (Sister Margie) (Resigned 17th September 2019)

### Key Management Personnel

UK Manager

### Website

[www.worldvillages.org.uk](http://www.worldvillages.org.uk)

### Registered Office and Charity address

Kings Buildings, 16 Smith Square, London SW1P 3HQ

### Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

### Solicitor

BDB Pitmans, One Bartholomew Close, London EC1A 7BL





## OUR VISION, MISSION AND VALUES

**AT WORLD VILLAGES FOR CHILDREN OUR VISION IS A WORLD WHERE EVERY CHILD GROWS UP FREE FROM POVERTY.**

**OUR MISSION** is to fund the education and the care provided by the Sisters of Mary programmes to transform the lives of the world's most impoverished children.

**EDUCATION** that helps children to become self-sufficient and productive adults able, in turn, to help their families and communities out of poverty.

**OUR WORK** is guided by our values of dedication, compassion and integrity.

**COMPASSION** – we passionately care about the world's most vulnerable children who live on the very edges of society, in the most appalling poverty and living conditions. Our work is driven by their needs.

**DEDICATION** – we know that the route out of abject poverty and despair is having access to a quality education so all our work is about making this happen through raising funds for the Sisters of Mary.

**INTEGRITY** – we are trustworthy. We are indebted to our supporters and greatly value all the donations given to us. We invest to ensure robust governance and that the funds entrusted to us are carefully spent on providing the best possible future for the world's most vulnerable children.







## WHO WE ARE AND WHAT WE DO

**EDUCATION IS THE ROUTE OUT OF POVERTY FOR THE WORLD'S POOREST CHILDREN. WORLD VILLAGES FOR CHILDREN (WVC) WORKS TO SUPPORT EXTREMELY VULNERABLE BOYS AND GIRLS BY FUNDING EDUCATION PLACES PROVIDED BY THE HUMANITARIAN PROGRAMMES OF OUR PARTNERS THE SISTERS OF MARY (SOM).**

Founded in 1964 by Father Aloysius Schwartz, the SoM run schools and kindergartens for the most impoverished children from the poorest regions of the Philippines, Guatemala, Mexico, Brazil, Honduras and Tanzania. The programmes now consist of twelve secondary schools, three medical centres, four day-care and elementary facilities and one training centre.

Established in each country at the request of governments and local authorities, these practical programmes provide holistic care for almost 20,000 impoverished children each year.

With a robust approach to safeguarding in place at the schools, these most vulnerable boys and girls receive full-time accommodation, access to healthcare, an accredited academic education and relevant vocational studies. The children are prepared for future local employment and an independent life. The opportunity of an education transforms their lives and those of their families and communities.

Working in partnership with the Sisters, the funding by WVC and our other affiliated charities in the EU and US, underpins the day-to-day delivery of the programmes, ensuring that the most vulnerable children receive a proper start in life and a future with employment that will lift them out of poverty.



## REINFORCING THE UN'S SUSTAINABLE DEVELOPMENT GOALS

### THE UN SUSTAINABLE DEVELOPMENT GOALS

THE WORK OF THE SISTERS OF MARY ARTICULATES MANY OF THE PRINCIPLES OF THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) – A UNITED NATIONS INITIATIVE WHICH SETS A TARGET FOR ALL COUNTRIES TO OFFER ALL CHILDREN FREE, EQUITABLE, AND QUALITY PRIMARY AND SECONDARY EDUCATION BY 2030.



**150,000**  
**CHILDREN**  
IN TOTAL, HAVE GRADUATED  
FROM THE PROGRAMMES

The programmes focus on providing full-time care, balanced nutrition, healthcare (including dental and eye-care), education and the chance of a proper childhood for the most impoverished children in the developing world.

The children cared for each year learn the skills they need to find stable local employment, leave their lives of poverty and go on to support their families and communities with access to healthcare and education.

At the schools in each country, the children develop life-skills and values. They learn agency and take responsibility for their place in society. They have compassion, make friends become stronger and more resilient individuals. They learn self-worth, self-discipline and a sense of belongingness, helping them believe that in the family they have a role to play<sup>2</sup>. They learn how to live sustainably and how to bring about positive change in the world.

The programme cares for approximately 20,000 boys and girls each year and they are educated by teachers and staff employed from the local community. In 2020, the Sisters cared for 18,294<sup>3</sup> children in school places and day-care centres.

So far, over 150,000 of the world's poorest children have graduated from the Sisters of Mary schools but many more lives have been changed by the impact of this work as the graduates become productive members of society and support their families and communities.

**IN 2020**  
THE SISTERS CARED FOR  
**18,294**  
**CHILDREN**  
IN SCHOOL PLACES  
& DAY-CARE CENTRES

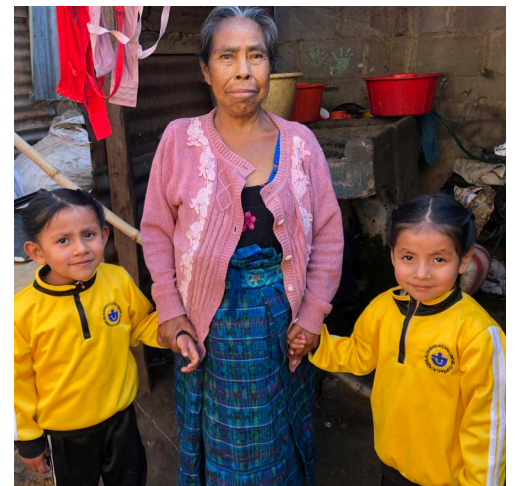
<sup>2</sup> Sister Elena Belarmino, SoM, Theory of Change March 2021.

<sup>3</sup> This figure does not include day care and elementary children as these programmes were partly closed in 2020 due to lockdown.



## WHERE WE WORK

WE WORK IN SOME OF THE POOREST REGIONS IN THE WORLD WHERE CHILDREN HAVE LITTLE OR NO ACCESS TO EDUCATION, LEAVING THEM TRAPPED IN AN ONGOING CYCLE OF POVERTY.



The children who come into our care have the most impoverished start in life.



## INTRODUCTION FROM THE CHAIR OF TRUSTEES

**THIS YEAR HAS BEEN A VERY NEW EXPERIENCE FOR US ALL AT WORLD VILLAGES FOR CHILDREN AND THE SISTERS OF MARY PROGRAMMES. THE UNEXPECTED CHALLENGES PRESENTED BY THE COVID-19 PANDEMIC MADE US MORE FOCUSED THAN EVER ON IMPROVING THE EDUCATION AND HEALTH NEEDS OF THE WORLD'S POOREST CHILDREN.**

At the programmes, food and other essential supplies were scarce during the year and prices increased, but thanks to the enduring generosity and commitment of our WVC friends and supporters we were able to maintain our programmes, locate vital supplies and keep all our children safe at school, properly fed and learning.

With the help of technology, our children continued their studies throughout the strict lockdowns, exams took place on schedule and graduations were held virtually. Our boys and girls are now skilled and equipped to find good local jobs when the economies reopen as the crisis abates.

All the children stayed healthy and well at our schools and many Sisters in our countries were able to maintain our community work (virtually!) and reach out to new children in need of our care. We have witnessed the terrible impact of the pandemic on the poverty of families and communities in the countries where we serve and it was essential we maintained the momentum of our work during this crisis.

We were relieved to be able to welcome new children into our care in Tanzania, Brazil, Honduras, Mexico and Guatemala, 2,698 children started their lives at school with us in 2020.

During this most difficult year, I was touched by the renewed support of our generous donors. Their commitment and kindness allowed us to continue our work. In such a difficult and challenging fundraising environment, our donors continued with their generous support of our mission, many of them embracing digital routes of giving to ensure their gifts arrived. I remain so grateful to every single one of them for their kindness and confidence in us.

I also want to extend my sincere thanks to the staff and board of WVC for their dedication during 2020. It was a difficult year for us all and their commitment to the work of WVC in raising funds for the care of the children at our programmes was untiring and greatly appreciated.

*Sister Maria Cho*

**Sister Maria Cho**  
Chair of Trustees



Sister Maria with new school girls, Tanzania, 2020

# INTRODUCTION FROM THE UK MANAGER AND TRUSTEE

**BY HAVING THE OPPORTUNITY TO RECEIVE AN ACADEMIC AND VOCATIONAL EDUCATION, CHILDREN CAN OVERCOME POVERTY AND THEIR DIFFICULT START IN LIFE. EQUIPPED WITH THE RIGHT SKILLS, CHILDREN FROM THE SOM PROGRAMMES ARE ABLE TO SECURE RELIABLE LOCAL EMPLOYMENT, BECOME PRODUCTIVE AND INDEPENDENT MEMBERS OF SOCIETY AND LIFT THEIR FAMILIES AND FELLOW COMMUNITY MEMBERS OUT OF POVERTY. EDUCATION IS THE KEY TO ECONOMIC PROGRESS AND A BETTER FUTURE FOR THESE FAMILIES. IT IS OUR RESOLUTE MISSION TO SUPPORT THIS WORK.**

In 2020, we faced our most challenging year in raising funds to support these life-saving programmes. The Covid-19 pandemic presented us with operational and financial hurdles to overcome in delivering our objectives, the most pressing of which, was to ensure regular monthly grant funding to support the basic needs of the children in the dedicated care of the SoM.

Thanks to the hard work of the WVC staff and trustees, who epitomised the values of our organisation, and the unstinting commitment and generosity of our loyal supporters, we produced a strong fundraising performance. We exceeded 2019 results and maintained vital food, healthcare and educational supplies to the schools.

This ensured that in 2020 almost 19,000 vulnerable children remained safe, educated, well fed and protected from the virus. Whilst no new children were able to join the Philippine schools this year, in Guatemala, Mexico, Brazil, Honduras and Tanzania the Sisters were able to welcome new children into the schools and to progress plans to expand further the programmes in Honduras and Tanzania.

Whilst so many schools around the world were forced to close, with vital learning lost, thanks to our supporters in 2020, we were also able to provide essential technical equipment to help the Sisters with the logistics of moving learning online. Throughout the year, classes were maintained for the children, the exam and graduation timetables were achieved, and the children were kept happy and active whilst the pandemic paralysed their local economies and wider communities.

During the year, we maintained our commitment to the sustainable growth of our charity and continued with planned investments in new fundraising capacity for improved income generation. This investment will position the charity for future success as a funding partner to the SoM. The Sisters' on the ground experience tells us that the Covid-19 pandemic has had the greatest impact on already poor and vulnerable communities. The worst effects lie ahead for these families. Help for these children remains a priority for the Sisters' programmes and for our fundraising work.

Thank you for your continued kindness to us. Your commitment and support helps us to transform the lives of the world's poorest children.



**Nicola Lawson**  
UK Manager and Trustee



With on the job training students from Talisay, Philippines.





Communities living on the rubbish dumps of the Philippines

## THE CHILDREN WE SUPPORT & THE IMPACT OF THE COVID 19-PANDEMIC

### THE CHILDREN WHO COME INTO THE CARE OF THE SISTERS ARE THE MOST DEPRIVED ORPHANS AND ARE FROM THE VERY POOREST DISADVANTAGED FAMILIES IN THE WORLD.

With few skills, families find little reliable work. They support themselves by working long hours in low-paid rural occupations, precarious jobs in cities, begging on the roadside or scavenging on landfill sites.

These families lack the basic conditions for survival like adequate shelter, regular nutrition, healthcare, water for drinking and sanitation. Their children lack access to education. It is often far from their homes and of poor quality. Children are expected to work from a young age to support their family and the youngsters are vulnerable to involvement in local crime, drugs and exploitation by gangs. Rural households are particularly vulnerable to climatic extremes and severe weather events which destroy households, crops and livelihoods.

In all the countries where we work, the Covid-19 crisis has had a devastating effect on the most vulnerable families. Their low-paid, menial jobs<sup>4</sup> have been quickly eliminated when businesses and restaurants closed down and supply chains dried up. The stories of the children, their families and the experience of the graduates and Sisters in each country, tell of the devastating impact of the pandemic on the lives of the most vulnerable with increases in child labour, child abuse, poor health and malnutrition.



Sister Elena visiting poor communities near Inayawan, Cebu, Philippines

In the midst of the pandemic, the poorest have been the most exposed to the virus. Without the basic means for survival, families cannot follow preventative measures such as hand-washing and social distancing for virus prevention. Without education and technical skills and with little access to infrastructure like electricity and internet, poor families are less likely to be able to find new work or study remotely. What physical schooling was available has closed, leading to even less hours of learning for their children. They have no buffer of savings and receive no state support and the worst economic impact may be yet to come as without the early hope of a vaccine programme in these countries, companies remain closed.

Education as a route out of poverty for these children is even more critical to survival in a post-pandemic world. We are more committed than ever to help the SoM provide the most impoverished children with a place at school, so they can acquire the tools they need to deal with the economic impact of Covid-19 and transform their lives.

<sup>4</sup> In the Philippines 62% of Filipinos were working in the informal economy as street peddlers and manual labourers. As businesses ceased due to lockdown, this work and source of earnings has ceased (Ibon Foundation 2020).



# TRUSTEES' REPORT



Happy girls learning in class, Talisay, Philippines, 2020



## STRATEGY

The Trustees of WVC present their annual report for the year ended 31 December 2020 under the Companies Act 2006, together with the audited accounts for the year. They confirm that the latter complies with the requirements of the Act, the Charities (Accounts and Reports) Regulations 2008 and the Charities SORP 2015.

The charity objects for WVC are to:

- provide financial support for the SoM humanitarian programmes;
- to raise the profile of their poverty relief work through the provision of education;
- to educate the public and promote understanding of childhood poverty and the work of the programmes to alleviate poverty amongst children, the most vulnerable group.

Our charity strategic plan for 2020 covered specific objectives to drive forward our aims in supporting the SoM programmes. Specific goals for Governance, Operations, Fundraising, Impact Measurement and Communications were set to maximise both efficiency and returns for the charity, to ensure transparency and good governance, a well-balanced and growing portfolio of income and sustainability for the future.

Our income targets for 2020 supported the growth needs of the SoM programmes both in terms of increased numbers of children needing places at existing schools and for programme expansion in different areas of the existing countries and in new countries. Examples of this are Honduras and Tanzania where capacity was increased in the year. Our future plans will focus on supporting growth of the programmes in Tanzania both for increased capacity at the current school, new needs for a training centre for ladies, a day-care centre for younger children and a facility for the most impoverished boys in this country.



Children enjoying sports and culinary arts activities 2020

## GOVERNANCE

Our governance objectives for 2020 were to develop and consolidate our board in the oversight of the charity. By wholly integrating the new board members we have built a robust governance function with appropriate and responsive oversight to support the work of WVC, whilst ensuring that the decision-making remains dynamic, helping the organisation to stay agile and alert. We made good progress on this objective in 2020. UK domiciled trustees newly recruited in 2019 (John Graham and Clare Bamberger), both visited the SoM programmes in early 2020 to complete their induction and support their understanding of the work, but also to fulfil their monitoring obligations.

Both new UK trustees contribute specific skill sets for the charity; John Graham as Treasurer and Clare Bamberger with expertise in data and insight. In 2020, Clare was responsible for driving forward our Theory of Change exercise. The first phase of this work is now complete and work has moved on to the construction of our framework for impact measurement.

Throughout 2020, the UK trustees were busy and engaged with oversight of the charity during the pandemic. They gave their time generously throughout the year to monitor the progress of the charity within this crisis period, manage risk, oversee activities at the SoM programmes and to advise and support the WVC management as required.

Our 2020 objectives also included, a skills audit and further recruitment to build board expertise and greater diversity at board level. These objectives were reviewed again in 2020 but will be steadily progressed in 2021 in line with the original governance review done in 2016. This review highlighted our longer term governance needs and our responsibilities as a charity in the international development sector.

## FUNDRAISING

2020 was our most challenging year for fundraising but our funding model positioned us well for a resilient performance during the pandemic. Individual giving, particularly around direct mail and committed giving, progressed as planned and held up well.

We were really touched by the support and engagement of our donors throughout and although we ended the year behind our original pre-Covid forecast we were well ahead of our mid-year reforecast and ahead of our performance in 2019.

The key driver for the sustainability in our fundraising during the year was the dedication of the WVC team in delivering the campaigns during this very difficult period and we remain touched and indebted to them for their dedication during this crisis. We also continued planned investment in fundraising capacity in the year with the appointment of a new Fundraising and Communications Manager who joined us in May 2020 to diversify and grow our income portfolio. We further increased our emphasis on digital activity to encourage online giving.

As we emerge from 2020, these improvements in capacity, together with a fundraising strategy based on review of the WVC brand, a new website and acquisition of new donors (including via digital channels), will better position us to achieve our income targets set for the charity in support of the SoM and the growth of their programmes.

## OPERATIONS AND FINANCE

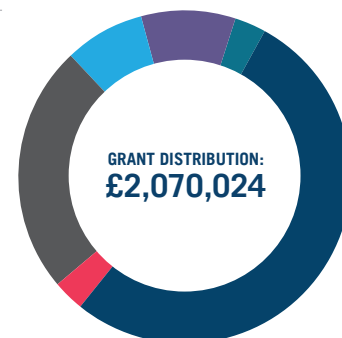
Operational continuity was a focus for 2020 ensuring we maintained the necessary systems to continue our fundraising and financial control in the midst of the pandemic. Investment in IT and business continuity in late 2019 supported us well during the crisis particularly with our need for enhanced security during remote working as a response to the pandemic.

Throughout 2020, we renewed our focus with accompanying investment in systems and processes to enhance our cyber security protocols and protect against data breach and financial crime. To this end we put in place new policies, employee handbook provisions, IT security applications and training, and most recently, Cyber Essentials accreditation which was achieved this year.

We were pleased to meet our objectives to keep a regular flow of funding to the SoM programmes and recorded a total grant figure of £2,070,024<sup>5</sup> distributed as follows:

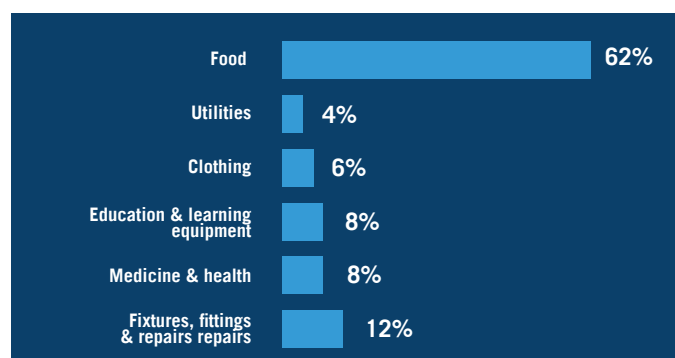
### WVC DISTRIBUTION OF GRANTS TO THE SISTERS OF MARY PROGRAMMES IN 2020

Philippines	53%
Brazil	3%
Mexico	24%
Guatemala	8%
Honduras	9%
Tanzania	3%



### WVC GRANT DISTRIBUTION: BY USE

These funds were utilised at the programmes as follows:



Overall control of finances and scrutiny of costs continued throughout 2020 to ensure that the strategic choices we made represented the best value for our donors' investment in us as a charity. We focused on quality and efficiency of our operations with careful management of expenditure in all areas, particularly direct mail fundraising, together with better use of data to improve engagement, response and return on investment. We were pleased to see operating costs reduced against the pre-Covid forecast and 2019.

Benchmarking our activities to evaluate performance was helpful in 2020, not just for fundraising performance, but to assess our overall operational, financial and management standards. Further use of these sector standards for quality assessment and assurance will be a feature of 2021.

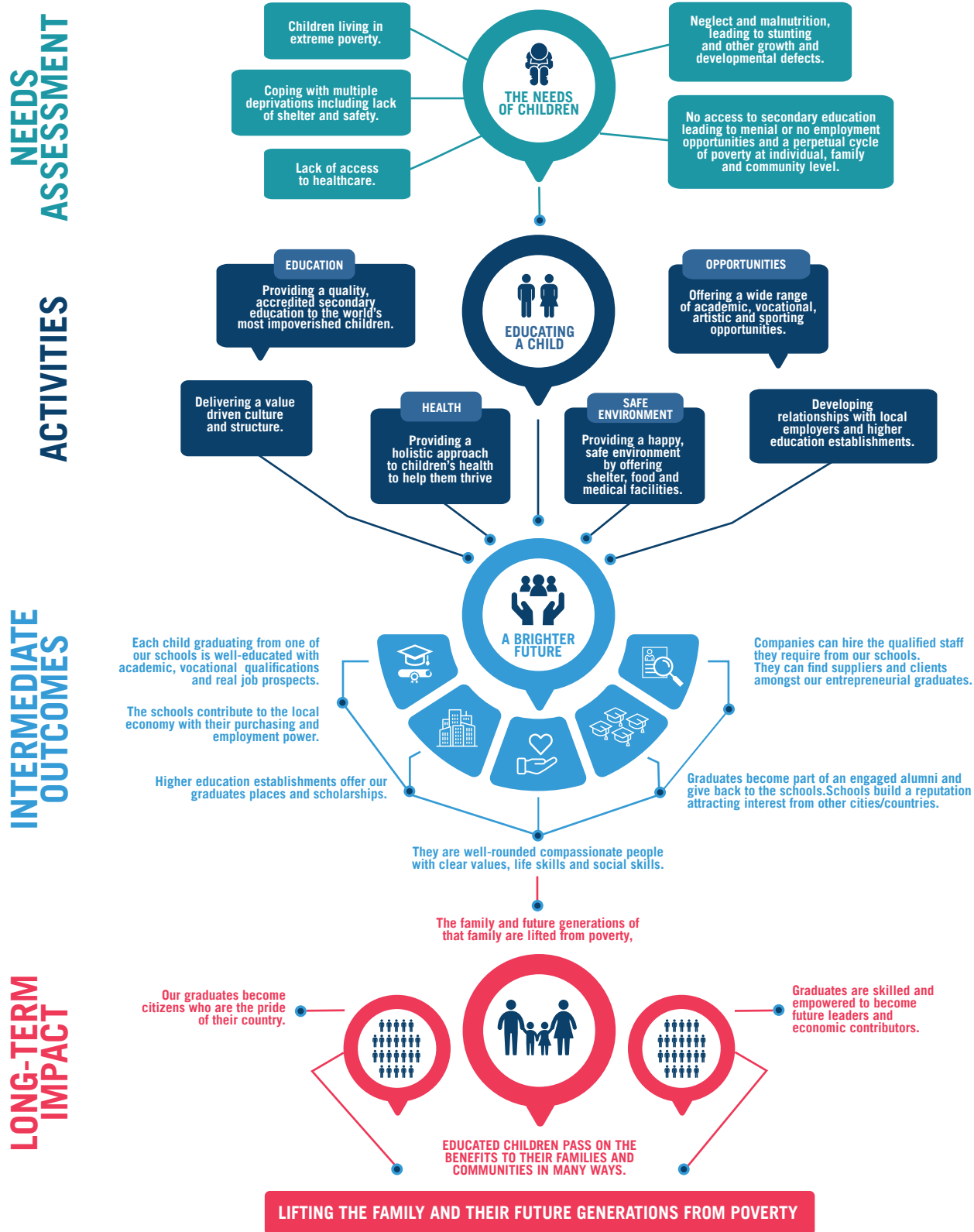
<sup>5</sup> £2,174,024 was the total grant sent by the charity to the SoM programmes which included an additional grant of £104,000 representing final payment of the liability due to the US charity.

## IMPACT AND MEASUREMENT

Our Theory of Change exercise made great progress in 2020. Following a visit to the SoM programmes in the Philippines in early March 2020, Clare Bamberger was able to complete an extensive series of workshops with the Sisters, WVC staff and our affiliated charities in the US and Europe. These workshops covered the detailed rationale of the Sisters' programmes, our work as funder and enabler, the context and various needs being met, outputs and the wider outcomes and impact. The development process involving all stakeholders has been comprehensive and detailed.

Completion of this first phase now positions us for the next stage development of the evaluation framework to support specific impact measurement. Underlying this, good deliberate progress continues to be made in data gathering with the SoM. The processes for this data collection improved again in 2020. WVC now consolidates data which spans all schools and all countries and supports the shorter-term programme monitoring. It also begins to contribute to the body of evidence needed for evaluating post-programme outcomes and the alternative base line data essential for credible impact measurement.

## OUR THEORY OF CHANGE





New boys arriving for school, Guadalajara, Mexico, 2020

## IMPACT OF THE COVID-19 PANDEMIC ON WVC

### MUCH OF 2020 WAS OVERSHADOWED BY THE OPERATING CHALLENGE PRESENTED BY THE COVID-19 PANDEMIC.

Technology enabled us to make the adjustments needed for successful remote working for some of the staff during the year and this continues to be a factor into 2021. Our suppliers remained committed and worked hard to maintain their services for us during this period.

Although the fundraising environment and the effects of the pandemic on our donors remained a concern throughout the year, our funding model provided a degree of resilience for the charity, fundraising activity was able to continue.

We were blessed by the continued generosity of our supporters through this crisis, many of whom made the transition to online giving during this period.

Monitoring and control processes were tightened to oversee performance, liquidity and risk to the charity. The sub-committee of the board met (and continue to meet) weekly to review these items.

Regular grant payments to the Sisters were able to continue during the year and reserves were increased. The board and board sub-committee continue to take an active role in monitoring the resilience of the charity and its status as a going concern.

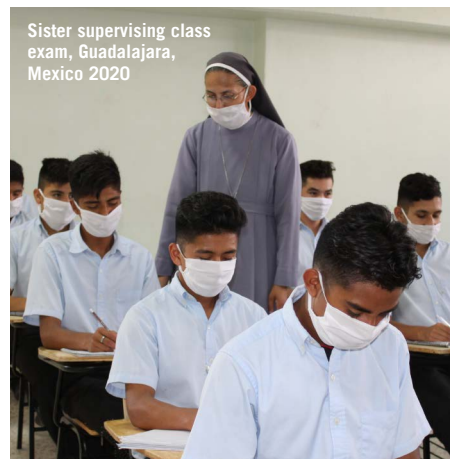
Girls in sewing class Guatemala Zona 13, making facemasks for their local community



Older student helps out with learning in class



Sister supervising class exam, Guadalajara, Mexico 2020





Happy new students in Tegucigalpa Gristown, Honduras



## 2020 HIGHLIGHTS FROM THE PROGRAMMES

It was a year of unprecedented disruption to education worldwide but despite the challenges, the Sisters' twelve schools in six countries stayed open.

Thanks to our supporters, the Sisters of Mary ensured that all our children in school were safe and protected from the virus, had the technology to keep on learning remotely and took their exams on schedule.

Despite the pandemic, with lots of precautions, new children were welcomed into school in Tanzania, Brazil, Honduras, Mexico and Guatemala during the year.



New school building, Amarateca, Honduras



John Graham, WVC UK Trustee in Honduras

In January, we witnessed the inauguration of the new school building for the boys in Amarateca, Honduras, which increased capacity for boys in need there. The inauguration was attended by the President's wife, local dignitaries and our trustee, John Graham.



Schoolgirls performing at the official inauguration ceremony in Tanzania, December 2020



Learning moved online in 2020 here is one of the virtual classes



2,672 Girls and boys graduated on schedule this year, qualified and ready for work



Ensuring all new students were checked for Covid-19 on arrival



Students from Adlas Boystown, Philippines, make PPE gowns for local hospital



Karoene, Graduate from SOM in Brasilia nursing on the front line during 2020 with colleagues

The children at all schools across the world contributed to the fight against Covid-19 by making much needed PPE for local hospitals. Previous students of the programmes cared for patients with the virus on the frontline in Brazil.



# UNIQUE CHALLENGES FOR THE PROGRAMMES IN 2020



The Covid-19 pandemic has disrupted the operations of the SoM schools. In all but one of the programmes, <sup>6</sup> the children remained in the schools. New protocols were developed to ensure protection from the virus and all the boys and girls stayed healthy and well. There were, however, many challenges for the Sisters with maintaining regular food supply for the children as they experienced food shortages, rationing and rising prices. Teaching was particularly difficult, as most teaching and auxiliary staff were required to return to their homes.

Thanks to the support of our donors and the hard work and dedication of the Sisters, the programmes continued. Funds were raised to provide equipment needed for online teaching and the children continued to study hard and were able to take exams on time. Graduates of the programme and contacts on the ground helped the Sisters to identify supplies of staple foodstuffs like rice and beans. In many cases they donated products or used contacts to provide access for the Sisters. Our loyal donors in the UK maintained their support in this time of renewed need and ensured we were able to maintain regular grants to the programmes. Clever meal planning by the Sisters and help from the children ensured that the donations went even further than usual in maintaining a balanced and sufficient diet for almost 19,000 hungry, growing, boys and girls.

Although the children were advised not to return home for their holidays, they maintained contact with their families throughout the year. Physical community work by the Sisters was also not possible (except for Tanzania) and so this was conducted virtually with the help of community contacts and local graduates.

The desperate and growing need in these communities made it essential that the Sisters maintain the momentum of the programmes and we were delighted to see that despite the pandemic, the schools in Honduras, Mexico, Guatemala, Brazil and Tanzania were able to welcome a total of 2,698 new children in 2020.

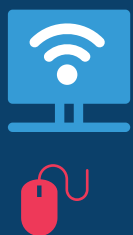
Online learning, Boystown, Honduras



Staying in touch with the family, Philippines



New arrivals during the pandemic, Honduras



**BUSINESS  
AS USUAL**  
LEARNING CONTINUED  
**ONLINE**



**NEW COVID  
SECURE PROTOCOLS**  
**VIRTUAL**  
CONTACT WITH FAMILIES  
+  
**VIRTUAL**  
COMMUNITY WORK



**IN 2020**  
**2,698**  
new children  
were welcomed

<sup>6</sup> The local authorities requested that the Sisters keep the children in school to ensure their safety. In Tanzania, the authorities initially requested that the children return to their homes but without the most basic services in their homes they could not study and so in June the children returned to school.

## OUR SCHOOLS IN NUMBERS

	NUMBER OF CHILDREN	TEACHERS	ANCILLARY STAFF	DOCTORS & NURSES	SISTERS	NEW CHILDREN ACCEPTED IN 2020
 <b>PHILIPPINES</b>						
Biga Girlstown	2580	64	67		39	
Adlas Boystown	1828	57	60		26	
Talisay Girlstown	2686	81	60		26	
Minglanilla Boystown	1798	59	53		16	
Medical Centre Biga	36 Outpatients per day		9	5	2	
Medical Centre Minglanilla	37 Outpatients per day <sup>7</sup>		5	2	2	
 <b>MEXICO</b>						
Chalco Girlstown	3079	99	59	7	51	755
Guadalajara Boystown	1811	76	40	4	17	512
Day Care centre, Chalco	123 <sup>7</sup>	7	9		2	
 <b>GUATEMALA</b>						
Zona 13 Girlstown	871	26	25		15	252
Zona 6 Boystown	1036	30	32	4	13	250
Day Care centre <sup>8</sup>	144	4	5		2	
Medical Clinic Zona 13	68 Outpatients per day	5		4	1	
 <b>BRAZIL</b>						
Brasilia (Girlstown)	850	32	13		14	269
Day care centre Brasilia	84	1			1	28
Sao Paulo Elementary	276	12	4		4	
Sao Paulo day care – Toddlers	156	8	4		4 <sup>9</sup>	
 <b>HONDURAS</b>						
Tegucigalpa (Girlstown)	657	30	28	2	15	172
Amarateca (Boystown)	791	26	37		8	300
 <b>TANZANIA</b>						
Kisarawe (Girlstown)	307	14	9		17	160
Training centre	16					

<sup>7</sup> Following lockdown in each country the clinics were closed to outpatients from the general public and used only for the children at school. These figures are for the period just prior to lockdown.

<sup>8</sup> Kindergarten and day care in all countries was not able to continue during lockdown but care packs of educational supplies and food were provided by the Sisters to sustain the families.

<sup>9</sup> In Brazil, the medical clinic discontinued providing medical consultation services to outpatients and now serves the needs of the students only.



# PHILIPPINES



Living conditions for families in the slums, Philippines

## IMPACT OF COVID-19

At the request of the local government, the four schools in the Philippines: Biga, Adlas (Girlstown and Boystown) near Cavite, and Talisay and Minglanilla (Girlstown and Boystown) in Cebu, remained open throughout the pandemic to care for the total of 8,892 children at the schools, although the majority of all teaching and auxiliary staff were sent home. Strict health protocols maintained at all schools kept all the children safe through the year.



Boys in class, Minglanilla, Philippines

## COUNTRY OVERVIEW

**Covid-19 is causing extreme poverty to rise for the first time in over 20 years. The strict community lockdown measures have forced businesses to close and menial jobs, often the sole source of a meagre income to sustain impoverished families, to dry up.**<sup>10</sup>

Without employment, the poorest families, particularly the urban poor, are existing on the edge of survival, deprived of shelter, healthcare and food. Schools are closed and lack of education for the population is a major concern. Rural families had their livelihoods further devastated by Typhoon Goni in October. With no prospect of skill acquisition for family members or adequate state aid, many in these poor Philippine communities are facing a greater fear than Covid-19 and that is the real prospect of starvation.

Teaching adapted to a new online format; studies of the more practical and technical subjects on the curriculum were overseen by senior students with online support and lesson plans supplied by teachers. Food for the programmes was a particular challenge in 2020 with supplies heavily curtailed and prices raised. Many of the graduates came to the assistance of the Sisters during this period locating and delivering supplies of rationed and vital food. The school medical centres stayed open for the children but after March were closed to community outpatients due to the pandemic.



Donation of liquid soap sourced by graduates for the children at school, Philippines

Despite the challenges, the children kept up their hobbies and sports interests and developed new ways of keeping busy and helping out during the year. In sewing classes, they used their skills to make PPE (face masks and gowns) for the local community nursing staff and they continued their energetic focus on any form of learning, competing in numerous virtual competitions including, essay writing, cartooning and youth journalism.

<sup>10</sup> The poorest families here rely on menial jobs in these sectors, as jeepney drivers, restaurant waiters and cleaners to support themselves





Boys having fun in the Philippines



Girls practising song &amp; dance, Talisay

## PROGRAMME HIGHLIGHTS

The children studied the full range of subjects in the curriculum accredited by the Philippine Technical Education and Skills Development Authority (TESDA)<sup>11</sup> and the school continued to be award-winning in its standard of education. Roselyn, 18 year old student of Girlstown in Talisay, won an academic award for excellence in Electronics at the World Skills Competition in late 2019. She was also requested to represent the Philippines in the World Skill Competition in Thailand in October 2020. This is a significant achievement for Roselyn who came from the most abject poverty imaginable and lived a lonely and troubled life until 2014 when she joined the girls school in Talisay.

“

**The Sisters of Mary school is seen by people merely as a school, I see it as a home of broken hearts...**

**I am grateful to the bottom of my soul for being part of this living miracle”** Roselyn

On the job training was not possible at all companies, this year due to many of them temporarily closing but was instead undertaken in school.

## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

Although there was no travel and no new children could be welcomed in 2020, exams and graduation took place as planned in August. 1,515 children were delighted to celebrate the success of their studies and the value of their opportunity.

Despite a difficult job market, graduates from the schools secured permanent employment at a number of employers including, Epson Precision, Regan Industrial, Department of Agriculture, Polaris, Well Tech and Meraki-Tech. Longer-term, graduates from the schools are well qualified and placed for employment once companies reopen in 2021.

## WVC CONTRIBUTIONS

During the year, WVC contributed 53% of its funding to support the children in these programmes. This funding helped pay for vital supplies of rice, flour and milk for the children as well as health and hygiene essentials and educational supplies to support their learning. We also funded the provision of Easter, birthday and Christmas gifts to mark these special celebrations.



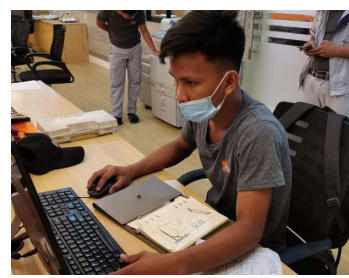
Competing in the Asian English Olympics, 2020



Graduating girls, Biga



In 2020, despite economic difficulties, these boys graduated into full time employment with Polaris and Meraki Co in the Philippines



New 2020 graduate, Ella, is so grateful for her education with the Sisters of Mary and proud of her achievement

<sup>11</sup> The full range of academic subjects and vocational subjects includes electronics, computer hardware servicing, bookkeeping, fashion design, bread and pastry making; skills which are tailored to job opportunities with local employers.



# MEXICO



Sisters of Mary student and her family, 2020

## COUNTRY OVERVIEW

Despite some progress, 43% of the Mexican population were still classified as poor<sup>12</sup> in one or more dimension in 2019. Unequal distribution of wealth means for many a vicious cycle of food deprivation, poor living standards and low-quality education affecting the youngest and most vulnerable.

Children raised in rural areas, particularly indigenous children, suffer the most. They experience extreme deprivation with particularly low levels of schooling and high instances of neglect, abuse, child labour, vulnerability to crime and gang involvement.<sup>13</sup> They have a poor start in life and the Covid-19 pandemic has further diminished their long-term outlook.

The prevalence of the virus, the lockdown curfews and the economic impact, have affected jobs and family households in Mexico. It threatens to wipe out decades of progress on poverty-reduction and increase global inequality dramatically<sup>14</sup>. In the poorer communities, the Sisters witness that children in the Guerrero Mountains, Oaxaca and Veracruz are particularly affected. These are the children who come into the care of the Sisters of Mary programmes.

## IMPACT OF COVID-19

The day-care centre for youngsters was closed for much of the year due to the lockdown and the children remained at home with their families. However, the students aged 12-18 were requested to remain at school with the Sisters throughout the pandemic. So unlike most other children in Mexico, in 2020 our boys and girls continued to receive the full benefit of their secondary level education accredited by the Mexican Education Authority (Secretaria de Educacion Publica). They studied their usual subjects, kept up their hobbies and also received full medical and dental care throughout the year.

As with the other Sisters of Mary programmes, the cost of basic food stuffs increased considerably in 2020 due to rationing and interruption of supplies. The Sisters planned carefully, bought many non-perishable items in bulk, but relied on the generous support of our donors and friends to help them through the crisis – particularly with fresh food.



Boys enjoying their learning, Guadalajara, Mexico, 2020



Poverty in Mexico 2019



Excited new girls arriving for their first term, Chalco, Mexico

<sup>12</sup> World Bank Group, April 2019

<sup>13</sup> Interview with Arturo Guevara, Graduate of the Sisters of Mary, Mexico – August 2020

<sup>14</sup> Inequality in a Rapidly Changing World, World Social Report 2020, UN





## PROGRAMME HIGHLIGHTS

In 2020, the Sisters cared for 4,890 of the country's poorest boys and girls at their schools in Villa de las Niñas, Chalco (Girls) and Villa de los Niños, Guadalajara (Boys) and 125 toddlers at the day-care centre in Chalco.

It was a difficult time for the Sisters but with the support of our donors, the children continued to flourish. Even in the midst of lockdown, the boys and girls enjoyed all their sports and extra-curricular activities and delighted in healthy competition with other organisations in Mexico (albeit virtual). The boys in Guadalajara celebrated second place (out of 300) in the international SOLACYT (Latin American Society of Science and Technology) competition in March.

The academic and vocational teaching timetable remained unchanged during the year although delivered virtually. Exams were completed on schedule and graduation of 660 boys and girls took place in July as expected.



**1,267 NEW CHILDREN  
JOINED THE SCHOOLS**

**4,890 BOYS & GIRLS**  
WERE CARED FOR BY THE SISTERS AT THE SCHOOLS

**125 TODDLERS**  
WERE CARED FOR AT DAY-CARE



## WVC CONTRIBUTIONS

WVC contributed 24% of our 2020 grants to maintain the children at the Sisters' programmes in Mexico. We funded supplies of food and medicines, educational supplies and equipment for remote learning, teaching salaries and utilities for the school. As in previous years we also supplied modest Christmas, birthday and Easter gifts for the children.

## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

Due to the pandemic, new job opportunities are scarce in Mexico. However, many of the children now leaving school are taking up places at university and when companies reopen in 2021, the children will be well placed for the available jobs. They remain ambitious and optimistic. Most now have relevant technical skills and trades to use so that even in the midst of the current crisis they can set themselves up to earn a living to help their families when they are back at home. With the Sisters of Mary in Mexico "there are no children who do nothing after school"<sup>15</sup>.

In September, with strict new health protocols in place, the schools were able to welcome an additional 1,267 malnourished and vulnerable new boys and girls - children desperately in need of the Sisters' care and the chance of an education.

Earlier this year with a break in lockdown, the Sisters were able to recommence outreach in the local communities and meet new children urgently in need of their care and a place at school.



<sup>15</sup> Update with the Sisters of Mary, Mexico Girlstown, October 2020



# GUATEMALA



Poverty in Guatemala most affects the youngest, particularly girls.

## COUNTRY OVERVIEW

Guatemala has persistently high rates of poverty and inequality. Only 40% of families enjoy food security<sup>16</sup> and a lack of nutrition leads to severe malnutrition and stunting which affects 47% of all children under 5.<sup>17</sup>

The Sisters witness this in their outreach work within the country's poorest communities. Parents are not well educated and achieve only menial low-paid occupations which provide just enough income to feed their large families once a day. Parents often abandon their children altogether and the youngest are left in even more precarious situations with distant relatives.<sup>18</sup>

There is no chance of an education for these children and what work is available is usually farming. The families cultivate corn and beans to sell but this way of life is also vulnerable to adverse weather which regularly affects crops. Most recently, Hurricane Eta which swept through Central America, devastated livelihoods and took many lives.

The Covid-19 pandemic is expected to shrink the Guatemalan economy. It will worsen these existing vulnerabilities as supply chains for farming produce are disrupted and firms providing vital jobs have closed during lockdowns. It is anticipated that an additional one million people will be forced into poverty, raising the country's poverty rate by as much as 6%.<sup>19</sup>

## IMPACT OF COVID-19

All the boys and girls remained safely at school in the care of the Sisters throughout the pandemic. As in the UK, teachers in Guatemala sent lesson plans through and classes were held via Zoom and Google Meet. In class, the older students continued to help the younger ones with their studies. Although on the job training was not possible, the older students (Grade 12) completed research projects and theses on finance and accountancy at school.

As with all the Sisters of Mary schools, in 2020 it was a practical challenge to deliver this programme with so few Sisters and very few staff. Supplies of basic foods for the children like meat, eggs and milk were also affected and prices rose. The Sisters received support from Colgate and Caritas in December with vital supplies for the Girlstown.

Supply of water to the girls' school during the dry season remained a critical problem this year as the mains supply ceased for around four months and water needed to be brought in for drinking, washing and cleaning. The plan for a new well, to ensure a sustainable water source within the grounds of the school, is a priority for 2021.



Girls learning culinary skills and helping out



English Class, Girlstown, 2020



Boystown students learning construction techniques

<sup>16</sup> World Bank country overview, 2019

<sup>17</sup> Rising to 58 % of indigenous children, and 66 % of children in the lowest income families. World Bank Briefing Sept 2020

<sup>18</sup> Update, Sisters of Mary, Guatemala, January 2021

<sup>19</sup> [www.worldbank.org/en/country/guatemala/overview](http://www.worldbank.org/en/country/guatemala/overview) 2020





Boys studying hard, Zona 6

## PROGRAMME HIGHLIGHTS

The Sisters of Mary schools cared for 1,907 of Guatemala's poorest children in 2020. 871 at Zona 13 (Villa de los Niños, Girlstown) and 1,036 at Zona 6 (Villa de las Niñas, Boystown). The Kindergarten facility, which normally cares for over 100 children, was closed during the country's lockdown but care packages were provided to help the mothers to provide for their children.

With many of the staff having to return to their homes, all the children helped out with the tasks at the school and using their skills to help the community, making PPE for local healthcare services.

There was little change in the curriculum in 2020 and a steady focus on quality technical training for jobs in the local industries continued. At the end of the year and following the easing of the lockdown, the children were able to return home for the holidays. Many were shocked to see the outcome of the pandemic on their families. They have returned to school with renewed energy to succeed; very conscious of their precious and valuable opportunity at school and the need to graduate with skills to help their loved ones.<sup>20</sup>



Using their skills to help the community, making PPE



125 girls graduated from Girlstown, Zona 13, August 2020



Girls in Zona 13 receive their practical Christmas presents courtesy of our generous donors

## WVC CONTRIBUTIONS

8% of WVC grant monies was spent on helping the children in both schools. Thanks to our donors, we were able to provide funding for vital food supplies, catering and educational equipment, healthcare supplies, medicines, clothing and shoes for school and contribute to some utility bills for the schools. Small Easter, birthday and Christmas gifts were provided for the children as usual. We were also delighted to raise the funds to equip the new electronics teaching workshop for the girls' school and this project will complete in 2021.



**502 NEW CHILDREN**  
WELCOMED INTO THE SECONDARY SCHOOLS

**1,907 CHILDREN**  
CHILDREN CARED FOR IN 2020

## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

Thanks to the care of the Sisters and the dedication of the teachers, lessons continued and end of year exams took place as normal. 301 boys and girls graduated in August.

Late in 2020, the Sisters were able to conduct some virtual community outreach work with the help of local contacts, and graduates (and Zoom!). As a result of this, 502 new children were welcomed into school in January (2021).

These are the first youngsters who have lived a year of the pandemic and without access to any early education, their primary learning has suffered. They lack basic language skills and will require remedial support from the Sisters to help them catch up.



176 boys graduated from Boystown, Zona 6, August 2020

<sup>20</sup> Sisters of Mary, Guatemala, Update January 2021



# BRAZIL



An extended family in Brazil



## COUNTRY OVERVIEW

Brazil has one of the most unequal economies in the world<sup>21</sup> with extreme poverty experienced, particularly in the rural communities of the North East.

Families are large and fragmented. Manual labour from a very young age is common for children, who need to earn enough to support themselves and their families. The children who come to the attention of the Sisters routinely suffer from the effects of malnutrition, disease, neglect and the long-term effects of abuse.<sup>22</sup>

The Covid-19 pandemic has exposed Brazil to an unprecedented health and economic crisis and it is projected to fall into its deepest recession on record with a steep drop in jobs and employment. This will increase the likelihood of the most vulnerable groups, who rely on lowly paid and informal work, falling further into poverty.<sup>23</sup>

## IMPACT OF COVID-19

During the lockdown, the Sisters of Mary girls' school in Brasilia was able to stay open and maintain full time care and education to the most vulnerable young girls. However the day-care and elementary facilities for younger children in Sao Paulo, Brazil were forced to close. Some classes were offered online to elementary children who had the ability to receive them whilst care packages, offline lesson plans and activities were provided for other families, their children and toddlers to help them during this difficult time.

Some face-to-face teaching has resumed for these programmes but they continue to experience disruption as the government works through phases of lockdown and release. At the girls' school, much of the teaching was done virtually in 2020, with support from senior students for the practical classes and the curriculum remained much the same as in previous years.

Socially distanced face to face teaching resumes, Brazil Elementary, 2020



However, the pandemic presented the Sisters with a major challenge in food provision for the children. Food prices for the key staples used to feed the children doubled and in some cases tripled. There was also a shortage of key products like soya beans, meat and oil leading to severe rationing. Thanks to our supporters and to the local contacts of graduates, the Sisters were able to access and purchase enough vital food to maintain a regular and nutritious diet for the girls.

They stayed healthy and well throughout the year and were thankful for the chance to be at school. Many turned down the opportunity to return to their family choosing to stay in the care of the Sisters during this difficult period.



The children were thankful for the chance to remain at school in the care of the sisters and continued to thrive.

Sisters in their community work with the poorest families



<sup>21</sup> Poverty & Equity Brief, Brazil, April 2020, World Bank Group

<sup>22</sup> Sisters of Mary programme update January 2021.

<sup>23</sup> [www.worldbank.org/en/country/brazil/overview](http://www.worldbank.org/en/country/brazil/overview) November 2020





New girlstown students waiting for their health checks

## WVC CONTRIBUTIONS

In 2020, WVC contributed 3% of its grant funding to care for the Brazil programmes, purchasing essential food stuffs, clothing and healthcare items, educational equipment to support remote learning, Easter, birthday and Christmas gifts, and settling water and electricity bills at the programmes.

## PROGRAMME HIGHLIGHTS

In Brazil, the Sisters operate a Girlstown in Brasilia for secondary level girls aged 12-18, as well as day-care centres for toddlers in Brasilia and Sao Paulo and an Elementary day school for 276 boys, also in Sao Paulo. In 2020, the Sisters cared for 850 girls at their Girlstown.

In class at the Girlstown it was business as usual and the children studied the full range of academic subjects in 2020, as well as technical specialisms in nursing, secretarial, dental hygiene, culinary arts and dressmaking. These lessons will prepare the girls for further professional studies and job vacancies.



Graduate nursing on the front line

Qualified graduates of the programme used their skills and proved their worth supporting the local community on the front line of Brazil's Covid-19 response.

The children remained at school all year. They were energetic, keen to help the Sisters and learn new skills. There was also plenty of time for fun activities, competitions, hobbies and sports.



Girls keeping fit, 2020

## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

269 new girls were welcomed to the Brasilia Girlstown in January 2020 and thanks to the support of the graduates and local community representatives, the Sisters were able to reach out (virtually) and offer places to 127 new girls in need at the end of 2020. They joined the school, with special testing and isolation protocols, in January this year.



**269 NEW GIRLS**  
WERE WELCOMED IN JANUARY 2020

**A FURTHER 127**  
AT THE BEGINNING OF 2021



Girls protected against Covid-19 study with masks in class.



# HONDURAS



Honduras, 2020

## COUNTRY OVERVIEW

**Honduras continues to be one of the most unequal economies in the world and its people face high levels of poverty, particularly in rural regions where 60% of the population live in extreme poverty.<sup>24</sup>**

These families are deprived of regular nutrition, access to water for drinking and sanitation, education, healthcare and hygiene facilities. The country also suffers high levels of violence, with over 38 murders per 100,000 inhabitants.<sup>25</sup> Honduras is a very dangerous place for children, with gang violence a common part of everyday life.<sup>26</sup>

The country is also exposed to adverse natural events and climate change, especially heavy rainfall and drought. The 2020 hurricane season was one of the worst in history. Hurricanes Eta and Iota affected thousands of families, destroyed homes and critical infrastructure including schools, hospitals, roads, water and sanitation services.<sup>27</sup>

In regions where children were already disproportionately hit by poverty and inequalities, the Covid-19 pandemic has further undermined their fate. School closures have deprived the children of potential life-saving interventions, such as school feeding. Lockdowns and curfews have increased safety threats in the home and local area, particularly for women and girls.<sup>28</sup> The forecast unemployment and income losses are expected to greatly impact the large informal job sector upon which poor Honduran families rely for their menial income.

## IMPACT OF COVID-19

As with their other schools, the Sisters were requested to keep the children in their care at their schools throughout the pandemic. The boys and girls studied the normal curriculum of academic and technical classes much of which were conducted via Zoom with teachers emailing class plans, exercises and homework to be completed.

The children continued to thrive and keep busy with their hobbies and helping the Sisters. They competed against each other within the school at drawing and painting, sports and dancing. Children who joined the school in 2019 have settled into school well and despite the pandemic are making the most of their opportunity.

It was a challenging year for the Sisters to maintain the programme. Food supplies were constrained and prices rose in many cases by as much as 30-40% for key staples like rice, beans and meat. The Sisters made the most of generous donations and sourced much of their produce direct from farmers and local companies to keep the children fed and healthy and able to continue their learning.



**In a very special way I would like to thank our donors and benefactors for helping us. Without your generous hearts, the Sisters would not be able to give us what we need.” Ana**



Ana who arrived at school last year is thriving and now in grade 8

<sup>24</sup> The World Bank GINI coefficient measurement of inequality, deprivation and poverty was 52.1 for Honduras in 2018, amongst the highest in Central America and the world.

<sup>25</sup> World Bank Honduras Overview Oct 2020

<sup>26</sup> Sister Lilianna Martinez, SoM, Jan 2020

<sup>27</sup> One enormous crisis, multiple little faces, Unicef, December 2020

<sup>28</sup> Amnesty International Report 2021



Grade 7 new boys in class, Amarateca.

## PROGRAMME HIGHLIGHTS

The Sisters were able to care for 1,448 children aged 11-18 within their humanitarian programmes - 657 girls in Tegucigalpa and 791 boys in Amarateca.

In January we were delighted to celebrate the inauguration of the new school building for the boys in Amarateca which increased capacity to 900.

Academically the children continued to work hard and excel. Cinthia in grade 9 represented Honduras in the III Mesoamerican Physics Olympiad held virtually this year. From 53 students representing nine countries, Cinthia came in the top five and won a scholarship for a physics course in the International Centre for Theoretical Physics - a great achievement.

In the boys' school new vocational classes in mechanics and welding were introduced for the Grade 10 boys and these are taught by a live-in graduate of the Guatemalan programme. In 2021 we will have the first graduates from the Boystown programme and so relevant vocational skills are essential to equip them for local vacancies. Local companies like Toyota continued to provide vocational and careers guidance for the school and direct help in preparing the boys for future job opportunities with their company.

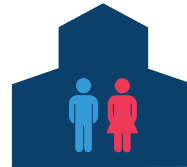
## WVC CONTRIBUTIONS

WVC was able to contribute 9% of its 2020 grants to help the programmes in Honduras during the year, focusing particularly on support with food, educational supplies and equipment to help with remote learning, medicines, clothing and health, hygiene supplies and repairs.

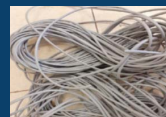
## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

In the autumn, the Sisters were able to keep up with their community outreach work (virtually) and meet new children in need of their care.

They saw hundreds of children desperate for a place at school and in January were able to welcome an additional 377 children.



**1448 CHILDREN**  
WERE CARED FOR IN 2020



Our June grant for the programmes in Honduras helped particularly with the basic but essential infrastructure needed to put the learning online.



Cinthia in grade 9 represented Honduras in the III Mesoamerican Physics Olympiad



Training in automechanics, Boystown, Amarateca



Girlstown students singing and dancing in the gym, Girlstown



# TANZANIA



Community visit,  
rural Tanzania

## COUNTRY OVERVIEW

The Tanzanian economy has made some progress towards growth in recent years and their new President, Samia Suluhu Hassan, has a vision for the country based on a well educated and learning society.

Despite this, the rapid population growth has caused the number of people living below the poverty line of \$1.35 per day to steadily increase and in 2020, the pandemic-induced economic slowdown caused the poverty rate to rise further beyond 27%.

Although there was no lockdown in Tanzania, the impact of this crisis has been especially acute among households that rely on self-employment and informal work available in urban areas. Data suggests about 140,000 jobs were lost in June 2020, and another 2.2 million informal workers suffered income losses.<sup>29</sup> The crisis could push an additional 600,000 people below the national poverty line.

The experience of the Sisters of Mary visiting the poorest areas confirms this. Within some of the most impoverished areas near Arusha, Mwana, Singida and Lake Victoria, women and girls in particular, experience terrible poverty and hardship.

Without intervention, young girls in families face particular problems, not least of which, is the prospect of very early marriage (sometimes from as young as twelve). Government policies specifically discriminate against girls, enabling schools to expel pregnant and married girls from school, robbing them of an education. The Sisters of Mary now have 470 young girls at the school in Pwani Region, Kisarawe.

## IMPACT OF COVID-19

In late March at the request of the government and with the impending pandemic, the girls were requested to return to their families at home and during this time the Sisters maintained close contact with them. This was a difficult time for the girls as their situations at home are complex so they were thrilled and relieved to return to school in June to resume their studies.



Temperature checking to protect against  
Covid-19 for returning children



New children hoping for a place at the Sisters school





Excited students receive their new books from generous UK donors, 2020

## PROGRAMME HIGHLIGHTS

In November 2020, the first intake of students who arrived in 2019, took and passed their national exams – a huge milestone for us all, a major step forward for them and a cause for great celebration.



In December, work was completed on the second school building to increase capacity at the school to 900 and the Sisters celebrated the official inauguration of the programme. The ceremony was attended by national and local government representatives, the Archbishop and local dignitaries. It also made national television news.

During the year, the children studied the full curriculum of subjects including English, maths, Kiswahili, geography, history, biology, physics and vocational skills in tailoring, dressmaking, bread and pastry making, computing and bookkeeping. Additional vocational options will be offered this year including electrical and solar installations to boost vocational training for the girls as the best jobs available locally are for girls with strong vocational skills.

As with last year, it wasn't all work and the girls loved their playtime, extra-curricular hobbies and excelled at sports.

## WVC CONTRIBUTIONS

In 2020, WVC spent 3% of its annual grant on the programme in Tanzania. This year, whilst some of the funds were spent on food and healthcare items, most went on educational supplies and equipment and furniture for the new school library. Good quality textbooks are difficult to obtain in Tanzania and our funds were spent on titles needed by the girls to progress their lessons and on the purchase of computers and library furniture (desks and chairs) to help their studies.



New children competing in the local 5K Kisarawe community challenge - they won!

**Grace** is 15 from the Utaho District, Singida Region of Tanzania and is the sixth of nine children. Her mother farms to earn a living to support the family but there is rarely enough food for them all and a good harvest is reliant on rain. Their humble home affords little protection for them all and lacks basic infrastructure like electricity or water supply for drinking or sanitation.

Desperate to learn, Grace rises at 4.30 am every day to walk to the nearest school 10 km away. At 5pm she walks back home arriving at 7 pm to help her mother.

Now thanks to the generosity and kindness of our donors, we have been able to fund a place at the school in Tanzania for Grace and she joined the Sisters of Mary school in Kisarawe in January 2021. Now she is enjoying the chance to make new friends and learn new skills, ready for a better life for herself and her family.



Grace (circled) with her family and Sister Maria

## GRADUATION, COMMUNITY WORK & WELCOMING NEW CHILDREN

During the year, the Sisters were able to do some additional outreach and meet thousands of young children throughout the country.

This year they encountered many young boys too, desperate for their help and a place at school and mothers unable to earn their living and feed families because of their many young and vulnerable toddlers. Planning is in place for future projects to provide day care and training facilities to meet these needs and provide education for the boys in this country.

160 of the most impoverished girls joined the school in January this year. Children like Grace (see left).



## SUPPORT AND THANKS



We would like to say **THANK YOU** to our generous individual donors and Guardian Angels who, through their unstinting support during the year, have enabled the Sisters of Mary to continue their life-saving humanitarian work in very challenging times.



### WE WOULD ALSO LIKE TO THANK:

The Big Give  
 The Coles-Medlock Foundation  
 The Grail Society  
 Souter Charitable Trust  
 The Haremead Trust  
 Chalk Cliff Trust  
 Myristica Trust  
 Carmela & Ronnie Pignatelli Foundation  
 March Christian Trust  
 Bryan Guinness Charitable Trust  
 Forest Hill Charitable Trust  
 The staff at Smith & Williamson  
 GlobalGiving



## OUR IMPACT



New students arriving Amarateca, Honduras, 2020



## WVC IN 2020

**£3,019,184**  
**TOTAL INCOME**  
**RAISED**



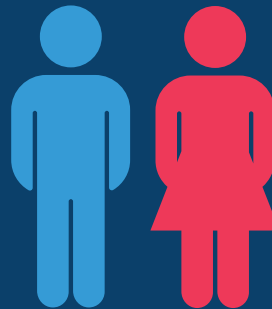
**6 COUNTRIES**



**150K**  
**TOTAL NUMBER**  
**OF GRADUATES**  
**TO DATE**



**2,672**  
**graduates**  
**IN 2020**



**IN 2020**  
**2,698**  
**new children**  
**were welcomed**

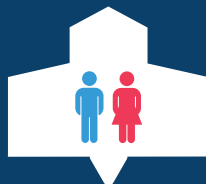
**20K** **TOTAL STUDENTS**  
**IN PROGRAMMES**



**A BED FOR**  
**EVERY CHILD**



**3X MEALS**  
**A DAY**



**12** **SECONDARY**  
**SCHOOLS**  
**3** **DAYCARE**  
**CENTRES**  
**1** **ELEMENTARY**  
**SCHOOL**  
**3** **TRAINING**  
**CENTRES**



**3** **MEDICAL**  
**CENTRES**

## OUR FUNDING PROVIDES



**FOOD &**  
**WATER**



**EDUCATION**

**KITCHEN**  
**EQUIPMENT**



**CLOTHING**  
**& SHOES**



**UTILITIES**



**FURNITURE**

**CONSUMABLES**

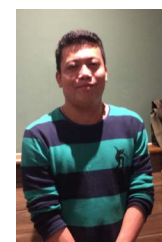
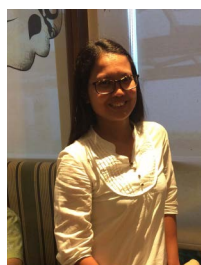
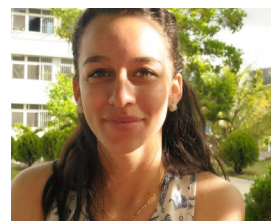
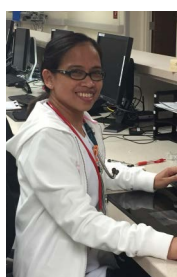
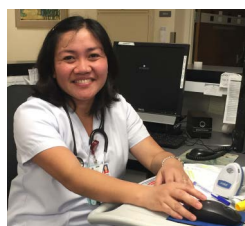
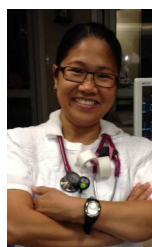


**REPAIRS &**  
**MAINTENANCE**



# THE STORIES OF OUR GRADUATES

The stories of our graduates demonstrate the transformative power of the Sisters of Mary programmes and the impact of our work.







## LUIS'S STORY



GUATEMALA

### EARLY LIFE

Born into a family of eight siblings in rural Guatemala, Luis was facing a bleak future farming corn and beans in his impoverished rural community. He often worked seven days a week without a break, labouring on the farm and doing odd jobs to raise enough money for his family to eat.

There was no time for school and the family often went hungry: "Ever since I was a child I always dreamt of being able to study so I could have a better life".

In 2002, his dream came true when the Sisters were able to offer Luis a place at the Sisters of Mary boys' school in Zona 6.

Luis graduated from the school in 2006 and says that it 'literally changed my life'.

He says: "Honestly, without the excellent education I received thanks to the Sisters and World Villages for Children, I would not be where I am now with my job and my ability to help my family live a better life."

“

Honestly, without the excellent education I received thanks to the Sisters and World Villages for Children, I would not be where I am now with my job and my ability to help my family live a better life.”



### AFTER GRADUATION

Now employed as a senior manager at the headquarters of a leading car maintenance firm in Guatemala, Luis holds down a steady job and in 2019, he studied for his first degree in Business Administration and from there, started a master's degree in Formulation and Evaluation. He now leads a team of fifteen employees, four of whom are graduates from the Sisters of Mary programmes.

"When I entered the school everything for me took a different direction. My life changed completely. It prepared me to move forward in life and be able to compete on a level playing field." Luis reflects.

Luis is now married with a son and they have their own house. Through his career, he has been able to support all his family out of poverty which includes financially supporting his youngest sister's education and inspiring his brothers to become entrepreneurs.



## EVELYN'S STORY



PHILIPPINES

### EARLY LIFE

Evelyn was born in Lipit Manaoag Pangasinan in the Philippines, the eldest of five children from a very poor family.

Life was hard for Evelyn until she was introduced to the Sisters in 1991 by her Parish Priest and was offered a place at their school in Cavite.

She thrived at school in the care of the Sisters and made the most of her opportunity. She excelled in the academic studies and the vocational training. She says "I am grateful and thankful that the Sisters of Mary helped me and nurtured me not only in advance vocational training but also with good attitudes and values".

Her parents were thankful for the chance for their eldest daughter and so extremely grateful for the education she received from the Sisters and the values they shared with her.

“

I am grateful and thankful that the Sisters of Mary helped me and nurtured me not only in advance vocational training but also with good attitudes and values.”



### AFTER GRADUATION

On leaving school she was offered full time employment in Customer services at Regan Industrial Sales. Through her time with the company she has progressed and is now HR Manager for Regan and their sister companies. They have over 1000 employees and she regularly recruits graduates from the Sisters of Mary programmes because they are regarded as "smart, reliable and efficient". She also provides on the job training opportunities for the final year children from the SoM.

Evelyn is now happily married, and has dedicated herself to sharing her success and caring for her extended family. She has paid for schooling and university for her brother and sisters to lift them out of poverty. They are now qualified and in successful careers working around the world. She continues to help her parents and now her nephews and nieces.





## FELIPE'S STORY



MEXICO

### EARLY LIFE

Felipe is the youngest son of a family of seven raised in Cardenas Tabasco, Mexico. They were a poor but hardworking family surviving on earnings from the farming of cocoa and sugar cane. All the children laboured hard to help with the work but income was meagre and not enough to sustain the family. There was never enough to eat and Felipe was malnourished and severely under-developed.

The Sisters met Felipe on a number of occasions during their community work but finally in 2003 they were able to offer him a place at the Boystown school in Guadalajara. He says it was "without a doubt, the best stage in my life".

He worked incredibly hard at school, absorbed everything he was taught. He says "I learned the value of hard work, self-discipline and honesty".

“

I express my infinite gratitude and admiration to the people who have selflessly placed their trust in my academic training. I can tell you with complete frankness that every penny they invested in me was made the most of, forming a productive citizen, full, with values and virtues. ”



Felipe aged 11 at the Sisters of Mary school with Sister Michaela

### AFTER GRADUATION

In 2008 he graduated from School and secured a place at technical college. In 2012, he transferred to Veracruz State to study for a Medical degree at Cristobal University. In 2018 he graduated into an internship at General Hospital No 71 Lic Benito Coquet Lagunes which he finished in 2019. Today he is Director of the Health Department in Tecolutla, Veracruz, coordinating health care for the most disadvantaged citizens of remote villages. 2020 has been a challenging year for him on the front line of care in this country during the pandemic.

In the future he wants to specialise in paediatrics and continue his work serving those most in need. He says "I express my infinite gratitude and admiration to the people who have selflessly placed their trust in my academic training. I can tell you with complete frankness that every penny they invested in me was made the most of, forming a productive citizen, full, with values and virtues. Thank you for transforming the lives of the most vulnerable in our country."



Young Manuel at school with the Sisters of Mary in Mexico



## MULTIPLYING IMPACT OUR GRADUATES AT WORK IN THE WORLD

### MEET MANUEL, MEXICO GRADUATE AND LEADER OF GRAVINI

**THE IMPACT OF OUR WORK IS INCREASED WHEN THE CHILDREN GRADUATE FROM THE PROGRAMMES. THEY ARE KEEN AND MOTIVATED TO ACKNOWLEDGE THE OPPORTUNITIES THEY RECEIVED AND ENSURE THEY SHARE THEIR GOOD FORTUNE TO HELP THE FUTURE GENERATIONS AT THE SCHOOL ONTO GREATER PRODUCTIVITY.**

They support boys and girls currently at the schools and graduates in need of help. They also help the Sisters with programme delivery, teaching, extra-curricular support and with their outreach work in the community to reach new children in need.

Their support is inspirational for the children at school, a lifeline for the Sisters and for graduating children and has been invaluable during the current pandemic.

Alumni associations have been developed by these graduates in many of the countries, particularly the Philippines and Mexico, to provide more structured support for graduates and for the Sisters. In the Philippines the alumni organisation is ASMSI and in Mexico, Gravini.



Manuel entered the Sisters of Mary school for boys in Mexico as a deprived and vulnerable young boy in 2002.

He thrived under the kindness and care of the Sisters and graduated from the school in 2006. He is now a qualified lawyer, having graduated from the Law School at the Universidad Nacional Autonoma de Mexico (UNAM). He has practiced Law for 14 years in Mexico City and the Metropolitan Area, specialising in Registry, Real Estate and Family Law. Happily married with a family of his own, he serves as Registrar within the Public Registry of Property and Commerce of Mexico City.

He never forgot the kindness he received from the Sisters and he now provides free legal support and advice to graduates of the Sisters of Mary programmes and since 2016, Manuel has led the administration and organisation of Gravini, the alumni association for children graduating from the schools in Mexico. Supported by a dedicated group of volunteer graduates from the programmes, Gravini helps new graduates to progress, find scholarships for higher education and job vacancies that meet their skills and will help them feed their families.



Young Manuel at school and with Father AI



Manuel with his young family

The team at Gravini actively support the Sisters in seeking new relationships with organisations and companies that will provide vacancies and also with the practical processes of outreach community work to reach children with the greatest need.

These graduates and their actions embody the spirit of the Sisters of Mary programmes and facilitate the wide ranging impact on poverty relief generated by our funding.



# SUMMARY OF FUTURE AIMS, OBJECTIVES AND ACTIVITIES



## OUR PLANS FOR 2021 AND BEYOND

Every year the number of children in need of a place at school with the Sisters of Mary far exceeds the places available. In 2021, WVC will support the Sisters of Mary in their drive to welcome the most vulnerable children into the existing schools and help fund new facilities to address the growing demand for their services.

Whilst the Sisters are not yet able to accommodate boys in Tanzania, at the request of the authorities and with the gift of the land now in place, plans for a new school in Dodoma to help the boys are in discussion and planning for a new day-care and training centre in Kiluvya are in progress.

The new centre will be a multi-purpose facility built on land offered to the SoM in Kiluvya Area, Ubungo Municipal, near Dar es Salaam.

The centre will have a dual function, offering vocational training certificates for young, impoverished women, whilst their young children are being cared for in kindergarten. WVC will support the Sisters with funding for both these projects.

The Covid-19 pandemic has amplified the misfortune of the poorest families in all the countries where the Sisters work. For the children of these families, the pre-covid 'normal' was never good enough to begin with and the economic and welfare fallout may now face them further in the future as they deal with the brunt of the crisis.

Their need has increased the demand for new places at the Sisters of Mary programmes and the urgency of our fundraising work.

## OUR SPECIFIC OBJECTIVES FOR 2021 TO ADDRESS THIS INCLUDE:

**FUNDRAISING** – We will maintain the momentum built in 2020 on diversifying our income and grow our revenues particularly in the trusts & foundations, major gifts and digital income streams. As we invest in new methods and evolve our fundraising towards our growth targets for these income streams, we will build overall income and increase our contribution to the goals of the Sisters of Mary. Specific aims in 2021 will be to support the SoM programmes in welcoming more children in need of education worldwide and particularly at the new programmes in Tanzania.

**QUALITY** – in our fundraising practice remains a focus. In 2021 we will continue to make use of new learning opportunities and testing as well as external indicators to benchmark against others in the sector and develop our performance. Efficiency in income generation remains essential but understanding of our work and that of the SoM, our supporters and long term engagement strategies which are tailored to their philanthropic needs, are a priority.

**GOVERNANCE** – Objectives on governance and the development of the WVC board which were part of the 2016 Governance Review and were set for 2020 will be moved forward in 2021.

In line with the direction of the Charity Governance Code we will carry out a skills audit and recruit new trustees who supplement the skill sets and experience currently in place.

Recruiting additional board members who live the values of the charity of compassion, dedication and integrity will bring new specialisms to the charity and give us needed capacity and diversity and support us in our oversight function. Evaluation of the board composition and recruitment to provide a diverse membership will more accurately reflect our beneficiary audience and ensure we stay relevant to those we support.

**IMPACT MEASUREMENT** – Through 2021 the charity will continue to progress its theory of change project. Gathering and consolidating high quality tracking and monitoring data on the Sisters of Mary programmes, their humanitarian work and the outcomes for the children will continue to be vital. In 2021 the priority for us will be to develop a system for this data collection and narrow the focus from the enormous amount of data available to that relevant data. That which supports evaluation and impact measurement and provides us with the base line counterfactual evidence required to give the impact measurements credibility.



New fundraising appeals to support new SoM programmes including a daycare and training centre in Tanzania

## FINANCIAL REVIEW FOR 2020

### FINANCIAL INFORMATION FOR THE YEAR 2020 IS SET OUT IN THE ATTACHED STATEMENT OF FINANCIAL ACTIVITIES. TOTAL INCOME FOR THE YEAR WAS £3,019,184, AN INCREASE ON 2019 OF 2.5%.

It was our most challenging year for fundraising due to the operational constraints presented by the Covid 19 pandemic. However, our funding model provided us with some resilience and final results exceeded our recast budgets, exceeded 2019 income and redress some of the decline in direct mail revenue seen in 2019. Legacy income continues to be volatile however. Overall legacy income was up slightly on 2019 but whilst notifications were increased in 2020, delays in administration and completion of estates affected distribution of income during the year meaning much of this income arrived towards the end of the year and remained to be distributed at year end.

In 2020, despite the pandemic, we were particularly pleased to see increases in Trust and Foundation and digital income as our portfolio of revenue streams diversified and fundraising activity increased in these areas.

This growth results from investment in capacity in this function and is a continuing focus for 2021. Donor attrition continues to be a feature however and so acquisition of donors and particularly engagement with new donor audiences is a 2021 priority. The brand review, new website and digital acquisition plans will support this engagement strategy through 2021.

We were pleased to maintain our fundraising efficiency in 2020, with ROI combined remaining a very healthy £10 raised for every £1 invested.

As in previous years the majority of our income is unrestricted although in 2020 there was a slight increase in restricted income to 2% of the whole. We are most grateful to our supporters for not restricting the majority of their donations as it allows the Sisters of Mary to distribute our funds where they are most needed. In 2020 much of this was for vital food, healthcare and educational supplies which were an urgent need to protect and educate the children during the Covid 19 pandemic. This remains an ongoing priority in 2021.

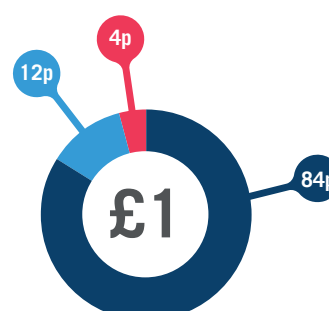
## EXPENDITURE

In 2020 expenditure was £2,875,248 against £2,896,305 in 2019, a 1% reduction. These lower total expenditures reflect a slight decrease in our grants sent to the Sisters of Mary (£2,070,024 in 2020 v £2,084,259 in 2019 - 0.6% reduction) and cost reductions in operating expenses but include an increase in cost of raising funds (from £256,481 in 2019 to £350,015 in 2020); this reflects the increased investment in fundraising. The net reduction in operating costs continues the downward trend in this cost centre and in 2020 they were lower than the original forecast, the recast made during the year and 2019.

At the end of the year we were delighted to settle the outstanding liability to our US Charity affiliate and this settlement was distributed as additional grant funding to the Sisters of Mary. Our total grant distribution to the Sisters for the year was therefore £2,174,421.84.

The investments made in fundraising continue our strategy to build a diverse funding model to maintain resilience for the charity in a dynamic fundraising environment and manage risk around income raising.

Reserves were increased in 2020 in line with the increased operating risk of the Covid 19 pandemic. However, by maintaining a lean operating model we continue to ensure an efficient operation and that all the gifts we receive from our donors are expeditiously and efficiently handled and distributed to the Sisters of Mary programmes where they will benefit the children.



In 2020 for every £ donated we spent 84 pence on our charitable activities, 12 pence generating funds and retained 4 pence for the future.



## RISK MANAGEMENT

Throughout 2020 and the Covid 19 pandemic, analysis and management of the risks facing the charity was a priority. The risk register was routinely updated to reflect the changing nature of the risks during the period and the trustees met regularly to review this.

We identify risk in the following categories: Environmental/External, Finance, Government & Management, Operational and Compliance.

The risk register and heatmap of risks allows the board high level analysis of risk on the basis of likelihood of occurrence and severity of impact.

They put in place appropriate controls and strategies to mitigate, manage or avoid the key risks. Low-level risks are managed by the UK Manager but high level risks are evaluated at quarterly full board meetings or at the weekly sub-committee of the trustees.

### THE CHARITY CLASSIFIES THE FOLLOWING AS ITS MOST SIGNIFICANT CURRENT RISKS:

RISK	RISK MANAGEMENT STRATEGY
<b>OPERATIONAL RISK</b> IT Security/ Cyber Security	<p>Breaches in IT Security and general cyber risk is regarded as a potential threat to WVC especially during remote working. The risk is managed as follows:</p> <ul style="list-style-type: none"> <li>IT infrastructure and security is overseen full time by ISO accredited IT support company.</li> <li>Best practice processes and updated software are in place to test, monitor and protect network and devices</li> <li>Cyber Essentials accreditation was achieved this year.</li> <li>Cyber insurance covers the key risks and potential losses.</li> <li>Training, agreed policies and employment conditions are in place to encourage staff in secure IT working practices.</li> <li>Business continuity/data loss plan/disaster recovery plan in place and tested</li> </ul>
<b>OPERATIONAL RISK</b> Absence/ loss of key staff	<p>WVC operates with a small team of 6. Absence of staff members or permanent loss of a member is immediately operationally significant. WVC minimises the impact of this on its activities by:</p> <ul style="list-style-type: none"> <li>Documenting essential processes.</li> <li>Cross training staff to supplement and cover key skills.</li> <li>Succession planning for senior management roles.</li> </ul>
<b>FINANCIAL RISK</b> Reliance on limited income streams/ decline in income	<p>WVC manages the risk to income as follows:</p> <ul style="list-style-type: none"> <li>Regular testing and ongoing analysis of direct mail fundraising to manage fundraising efficiency and avoid the risk of decline in the income stream.</li> <li>Delays in administration of legacy income are being managed by more proactive stewardship and new fundraising activity.</li> <li>Analysis and new investment in new fundraising methods and resourcing to develop new income streams.</li> <li>Acquisition activity to engage new audiences to support long term income growth.</li> </ul>
<b>OPERATIONAL RISK</b> Supplier dependence	<p>To carry out its work WVC is dependent on relationships with a small number of dedicated suppliers. The post pandemic environment is difficult and risk of supplier failure is increased. WVC are managing this risk by:</p> <ul style="list-style-type: none"> <li>Enlarging network of relationships for certain services.</li> <li>Testing with new suppliers.</li> </ul>
<b>FINANCIAL RISK</b> Fraud	<p>Robust control and oversight of income processing is a priority for WVC. Fraud is a risk and is managed as follows:</p> <ul style="list-style-type: none"> <li>Separation of responsibilities for activities and control on signing levels and account access.</li> <li>Comprehensive and auditable record of income and expenditure.</li> <li>Regular reconciliation of income and expenditure and spot checking of income recording activity</li> <li>Documented processes on income processing (particularly for cash) and good financial management which are updated, signposted for staff and for which training is provided.</li> <li>Staff policies on whistleblowing, fraud and money laundering and gift acceptance.</li> </ul>
<b>OPERATIONAL RISK - STAFF HEALTH AND WELFARE</b>	<p>Managing the risk to staff health and welfare during the pandemic was a priority in 2020</p> <ul style="list-style-type: none"> <li>IT facilitated remote working to allow staff to work from home. effectively where this was necessary.</li> <li>Employee assistance and additional HSE and NHS support and medical resources were provided to aid staff wellbeing and also to support their safe return to office work.</li> </ul>



Sisters in their recent community work, Guerrero mountains, Mexico

## RESPONSE TO COVID-19 AND ASSESSMENT OF GOING CONCERN

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due.

The Trustees have considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate. They take into account the budget forecast for 2021 up to December 2022, cash flow forecast to December 2022 and the review of risks facing the charity, particularly the impact of the Covid 19 pandemic for the period to the end of 2022 and beyond. Key current risk is the decline in income due to economic slowdown resulting from the pandemic.

Our fundraising planning addresses this risk and since year end fundraising has continued consistently, overseen weekly by the board sub-committee to monitor performance and liquidity. Expenditures and operating efficiency continue to be closely scrutinised by management and the whole board quarterly, with forecasts adjusted for different outcomes to assess liquidity and going concern status.

Our planning beyond 2022 takes into consideration the changing fundraising context and the economic climate and its potential impact on the various sources of income and planned expenditure.

The Charity's monthly financial statements, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity and having regard to all of the above it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.





## FUNDING SOURCES AND FUNDRAISING PRACTICE

2020 was perhaps our most challenging year for fundraising for the charity but we were touched by the engagement of our committed donors who continued to support us by responding to our direct mail appeals, many transitioning their giving to online to support us. As in previous years, in 2020 we raised our income through direct mail appeals, regular committed giving from our Guardian Angel donors and residuary and pecuniary gifts from legacies.

In 2020 we were delighted to receive some major gifts from individual donors and funding from new relationships with trusts and foundations and to see an increase in income from our digital fundraising which grew in 2020. We were pleased to build our digital presence and audience of donors and delighted to exceed our targets for two specific digital appeals – the Big Give appeal for Guatemala and Global Giving appeal for Honduras.

Despite the operating obstacles presented by the Covid 19 pandemic we were able to continue with our original fundraising plan for 2020. Direct mail appeals focused on informing our donor audience about the needs of the children in the care of the Sisters, their early lives of poverty and providing funding for school places for new children. In the Spring we ran a specific campaign aimed at the need for food and supporting the Sisters with their food budget and donors responded well. Even whilst locked down and without access to the post, our donors responded online or by phone and all campaign results in 2020 exceeded 2019 and our forecasts. The Christmas appeals again did particularly well utilising artwork from the Sisters and children at the SoM schools.

Legacy income exceeded our forecast for 2020. Our notifications of residuary and pecuniary legacy gifts were the highest ever but gifts were difficult to administer in 2020 due to lockdown and existing delays around probate and so receipt of this income was sporadic only picking up at year end. In 2021 fundraising towards this income stream is a priority and the forecast for the year is in line with 2020.

The relationships we have with our supporters and their generous donations are vital to the work we do with our beneficiaries. Their support and feedback drives the design of our fundraising and we aim to be transparent in everything we do in managing our fundraising, particularly in regard to the costs associated with this activity. In 2020 we continued to closely scrutinise fundraising costs and return on investment to ensure efficient use of our donors' funds. We made good use of data insight in 2020 and tailored our approaches so that they reflected the engagement needs of our donors.

Into 2021 new capacity in fundraising and new investment in this activity will focus on diversifying our income, reaching new donor audiences and ensuring sustainability for the future.

Our fundraising is designed in house. Content and information about activities at the programmes and the needs and situation of the children in our care is provided by the Sisters of Mary. The board of trustees monitor the content closely to ensure compliance with CC20 and we rely on external partners to support us with producing our direct mail appeals, managing responses and much of our banking of donations. The partnerships we enter into are closely scrutinised at procurement and ongoing with regular site and account review visits (done remotely in 2020). We continue to mystery shop to ensure the accuracy and quality of all fundraising output, the donor experience of the appeal, efficiency of processing through to banking, thanking and reconciliation.

World Villages for Children is a member of the Fundraising Regulator, the NCVO and the Direct Marketing Association. The fundraising team and senior management maintain membership of the Chartered Institute of Fundraising (one member is certified) and closely uphold the ethics and principles of the Fundraising Regulator in their day-to-day work with donors. Staff receive regular updates and training to stay current on the standards required for fundraising from FR, NCVO and CloF briefings.

The charity has a complaints policy which is readily available on the website or by hard copy if required. We were pleased to note there were no complaints received in 2020 compared to one complaint in 2019. Enquiries to the charity are actioned within 48 hours and all feedback good or bad is appreciated to help us progress and improve. We take great care to protect the interests of our more vulnerable donors. We follow the guidance issued by the CloF on treating donors fairly. Our vulnerable donors' policy ensures that any donor notified to us as vulnerable, or who we believe may lack capacity, is not contacted for fundraising purposes.

In 2020 we maintained our mechanisms for protecting donor data and supporting the rights of all data subjects. We continue to receive very few right to erasure requests but those received are actioned promptly in line with our rights of the individual policy. Similarly, specific communication requests are actioned as received.

Data protection by design is integral to all our fundraising and operational activities and is a priority consideration for all new fundraising activities. Our privacy policy covers how we use our donors' data and provides opportunities for all donors to opt out of contact with us or make a complaint. [www.worldvillages.org.uk/privacy\\_policy](http://www.worldvillages.org.uk/privacy_policy)





Young boy working on the rubbish dumps of the Philippines

## RESERVES

WVC reserves policy forms a major part of our risk management and resilience planning. WVC reserves are intended to manage the risk of downturn in income, to provide continuity and cover for unforeseen risks.

In designing its reserves approach, WVC assess the level of core costs, the specific risk around each element of income and the quality of the income received for its contribution to surplus. The policy is reviewed regularly against performance, the changing nature of the external fundraising environment and the changing risks to the income of the charity, particularly in the current post Covid 19 context.

It is a balanced approach to provide sufficient reserves for financial confidence but also to ensure our donor funds are utilised promptly and sufficiently for our charitable purpose.

The majority of our income (98%) is currently unrestricted and contributes to a level of reserves which is determined as six months' expenditure, excluding the grants to the Sisters of Mary. This total is £305,525.

The board have agreed that these reserves can be retained in the following manner – a minimum of £225,218 to be held in liquid assets which can be accessed within 95 days and the remainder to be held on the balance sheet as legacy debtor.

At 31 December 2020, the total reserves figure was £667,606 of which £647,708 is represented by unrestricted reserves and £19,898 by restricted reserves. Free reserves at year end, taking into account assets that are not readily available, were £577,515.

The board note that the free reserve total at 31 December 2020 is in excess of the policy and this is due to delays in legacy distributions and a large legacy balance received late in the year and included in debtors (prior to distribution to our charitable programmes).



New boys excited to receive brand new uniforms and learning materials



## STRUCTURE, GOVERNANCE AND MANAGEMENT

World Villages for Children was incorporated on 23rd October 1996. Our Governing document is the Memorandum and Articles of Association which was revised in September 2017.

### ORGANISATIONAL STRUCTURE

Day to day management of the Charity is delegated to the UK Manager, Nicola Lawson, who is also authorised by the Charity Commission to serve as a trustee on the board.

The board of trustees are the central governance function for the charity and they are committed to maintaining a high standard of corporate governance. They are responsible for overarching scrutiny of the charity and decisions relating to strategic direction, objective setting for mission delivery, risk management, performance management, grant making and compliance with all regulatory standards and requirements.

Grant expenditure processes with the overseas beneficiaries (the Sisters of Mary) are covered by an overarching grant making policy with reporting on expenditure tracked and monitored by the UK Manager and the Board.

Potential conflicts relating to the board activities or in regard to the appointment of the UK Manager as trustee are managed in accordance with the conflicts of interest policy. Declaration of interest, related party transactions and risk register are maintained and updated annually.

### CHARITY GOVERNANCE CODE

In 2020 WVC was well supported by the steady presence and engagement of its dedicated and effective board. WVC is best placed to fulfil its vision, mission and strategic goals if it has good, effective and responsive governance in place. Through the recommendations of our governance review which was completed in 2016, we are building a solid foundation in governance with Trustees who are clear about their roles and legal responsibilities and are committed to supporting the Charity.

The principles of the Charity Governance Code are used by the board to provide direction on development. The board demonstrate the principle of integrity, give generously of their time and are experienced in the charity management sector, ethical in their approach and robust in scrutiny. They adopt the principle of organisational purpose and leadership, driving strategy development, reporting on objectives and providing clear direction and support in the leadership of the charity.

As a governing group the board strive for greater capacity and effectiveness with a board of trustees of sufficient size with a wide range of experience. The board is currently 6 members. Into 2021 we also aspire to greater diversity on the board and this principle is a key objective for the year in board recruitment.

### TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

Trustees are recruited based on consideration of their skills, experience and knowledge as well as their interest and understanding of the work and values of the charity and our obligations towards good governance in achieving our aims.

New Trustees have an induction to familiarise themselves with their statutory responsibilities, their role within the board, the governance framework, our charity objects and work and the detailed work of the Sisters of Mary. It is mandatory for all trustees to be DBS screened and to be fully compliant with our safeguarding policy.

As part of their induction new trustees receive the opportunity to travel internationally to view the implementation of the programmes and to meet with the children and alumni of the programmes and local SoM staff and to see the outreach work of the Sisters within the communities. This supports board members to understand and fulfil their oversight responsibilities. Trustee engagement with programmes is ongoing both remote and with regular visits to the schools throughout their tenure.

### RELATIONSHIPS WITH RELATED (CONNECTED) PARTIES

Through 2020 and beyond the charity continued to work closely with the family of independent affiliated charities based in the EU and US. Income from these charities sustains the Sisters of Mary programmes and the nearly 20,000 children in full time education and day care places with them each year.

These include Wereld Doorpen voor Kinderen in Belgium and the Netherlands, Villages du Monde pour Enfants in France, Asian Relief (trading as World Villages for Children (in the US) Die Schwestern Maria in Germany. These charities all share similar aims as World Villages for Children for the relief of poverty but they are separate independent, legal entities and there is no one controlling party.



## ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

As with all staff remuneration, WVC reviews management remuneration levels to ensure that they are competitive with those of other charities of similar size and activity. Regular consultation with professional recruiters and salary survey review also keeps WVC in touch with market trends in the setting of salary levels.

Trustees are not remunerated with the exception of the UK Manager who with the authority of the Charity Commission became a trustee in 2016 and who continues to receive a salary for her daily management role.

## PUBLIC BENEFIT

In setting the objectives for the charity and planning its activities, the Board has given careful consideration to the Charity Commission's guidance on the public benefit requirement under the Charities Act 2011. The humanitarian, poverty relief programmes we fund support those in greatest need and no charges are made for any care provided, therefore the Board considers that the charity meets the following four important principles of the Public Benefit requirements in its work:

- Relief of poverty through the funding of free education for children which enables them to access a vocation and to acquire employment – to break free from the cycle of poverty and assist their family.
- Advancement of education, by ensuring all the children attend one of our schools or daycare facilities.
- Advancing health and welfare – ensuring all the children at the schools receive medical support, proactive health care, regular food and nutrition and extra supplements where needed.
- Enabling children in the countries where we operate to access a better, poverty free future.





# STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of World Villages for Children for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate 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 enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## AUDITORS

Crowe UK LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487 (2) of the Companies Act 2006.

Signed on behalf of the Trustees 7 August 2021



**N Lawson**  
Trustee

# INDEPENDENT AUDITOR'S REPORT

## OPINION

We have audited the financial statements of World Villages for Children ('the charitable company') for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance sheet, Cashflow statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2020 and of 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 charitable company 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in 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:

- adequate and proper accounting records have not been kept; or
- the 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 set out on page 50, 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's] ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation and Employment legislation.

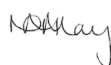
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## 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.



**Nicola May**  
Senior Statutory Auditor

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

Date 9th August 2021

# WORLD VILLAGES FOR CHILDREN

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted 2020 £	Restricted 2020 £	<b>Total Funds 2020 £</b>	Total Funds 2019 £
<b>INCOME FROM</b>					
Donations and legacies					
Donations and grants	2	2,329,380	67,795	<b>2,397,175</b>	2,330,411
Legacies	2	621,382	-	<b>621,382</b>	615,241
Interest income		627	-	<b>627</b>	639
<b>Total</b>		<b>2,951,389</b>	<b>67,795</b>	<b>3,019,184</b>	<b>2,946,291</b>
<b>EXPENDITURE ON</b>					
Raising Funds		350,015	-	<b>350,015</b>	256,481
Charitable Activities		2,460,609	64,624	<b>2,525,233</b>	2,639,824
<b>Total</b>	3	<b>2,810,624</b>	<b>64,624</b>	<b>2,875,248</b>	<b>2,896,305</b>
Net (Expenditure)/ Income		140,765	3,171	<b>143,936</b>	49,986
<b>Net movement in funds</b>		<b>140,765</b>	<b>3,171</b>	<b>143,936</b>	<b>49,986</b>
Total Funds Brought Forward		536,943	16,727	<b>553,670</b>	503,684
<b>TOTAL FUNDS CARRIED FORWARD</b>	16,17	<b>677,708</b>	<b>19,898</b>	<b>697,606</b>	<b>553,670</b>

The statement of financial activities includes all gains and losses recognised in the year.  
 All incoming resources and resources expended derive from continuing operations.  
 The notes on the accompanying pages form a part of these financial statements.



## BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		6,546		13,669
Tangible fixed assets	8		68,087		76,979
			<b>74,633</b>		<b>90,648</b>
<b>CURRENT ASSETS</b>					
Stock		15,458		21,767	
Debtors	10	458,975		594,382	
Cash at bank and in hand		239,843		317,447	
		<b>714,276</b>		<b>933,596</b>	
<b>Creditors:</b> Amounts falling due within one year	11	(75,968)		(437,336)	
			638,308		496,260
<b>Net Current Assets</b>					
<b>Creditors:</b> Amounts falling due in more than one year	12	(15,335)		(33,238)	
<b>Total Net Assets</b>			<b>697,606</b>		<b>553,670</b>
<b>The funds of the charity</b>					
Restricted funds			19,898		16,727
Unrestricted funds			677,708		536,943
<b>Total Funds</b>			<b>697,606</b>		<b>553,670</b>

The notes on the accompanying pages form a part of these financial statements.

Approved by and authorised for distribution, the Board of Trustees on ..... 7/8/21 .....  
and signed on their behalf by:

*Nicola Lawson*  
.....

**Nicola Lawson**

Trustee

Company Registration No. 3267479

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (Expenditure)/ income for the year	143,936	(37,530)
Adjustments for:		
Depreciation of tangible fixed assets	16,798	36,490
Interest received	(627)	(639)
Decrease / (increase) in debtors	135,407	62,502
(Decrease) / increase in creditors	(361,368)	121,757
(Decrease) / increase in creditors	(17,903)	33,238
Decrease / (increase) in Stock	6,309	14,916
<b>Net cash generated by operating activities</b>	<b>(77,448)</b>	<b>230,734</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	627	639
Intangible fixed assets reclassified and expensed	-	-
Purchase of fixed assets	(783)	(79,396)
<b>Net cash from investing activities</b>	<b>(156)</b>	<b>(78,756)</b>
Change in cash and cash equivalents in the year	(77,604)	151,977
Cash and cash equivalents at beginning of year	317,447	165,470
<b>Cash and cash equivalents at end of year</b>	<b>239,843</b>	<b>317,447</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### ACCOUNTING POLICIES

#### Status of the charity

World Villages for Children is registered as a company limited by guarantee in England and Wales (company number 03267479) and its registered office is Kings Buildings, 16 Smith Square, London SW1P 3HQ. World Villages for Children is a Public Benefit Entity registered with the Charity Commission (Charity number 1058973).

#### Basis of Preparation of the Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102), 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 functional currency of the charity is Pound Sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

#### Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts. The Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due.

The Trustees have considered a number of factors when forming their conclusion as to whether the use of the going concern basis is appropriate. They take into account the budget forecast for 2021 up to December 2022, cash flow forecast to December 2022 and the review of risks facing the charity, particularly the impact of the Covid 19 pandemic for the period to the end of 2022 and beyond. Key current risk is the decline in income due to economic slowdown resulting from the pandemic.

Our fundraising planning addresses this risk and since year end fundraising has continued consistently, overseen weekly by the board sub-committee to monitor performance and liquidity. Expenditures and operating efficiency continue to be closely scrutinised by management and the whole board quarterly with forecasts adjusted for different outcomes to assess liquidity and going concern status.

Our forward planning beyond 2022 takes into consideration the changing fundraising context and the economic climate and its potential impact on the various sources of income and planned expenditure.

The Charity's monthly financial statements, along with a cash flow forecast and scenario planning, show that the Charity has sufficient funds and liquidity and having regard to all of the above it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

#### Legacies

Legacies are recognised in the statement of financial activities when there is entitlement, and receipt is probable. For both pecuniary and residuary legacies this is when Probate has been granted and a reasonable estimate calculated for this income.

#### Donations

Donations are accounted for when conditions for their receipt are met, it is probable that the amounts will be received and the amount receivable can be reliably estimated.

#### Critical accounting estimates and areas of judgement

The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

#### Residuary legacies

The charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

#### Pensions

Pension contributions are made for all employees and recorded as they fall due. These are defined contributions paid to approved private pension schemes for each employee.

#### Taxation

World Villages for Children is a registered charity and all of its income falls within the exemptions under part 11 of the Corporation Tax Act 2010.

#### Gift Aid Repayments

Income from gift aid repayment claims is only included for claims which have been submitted for tax periods ending on or before the year end and when the receipt of this income is certain.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### Expenditure

Expenditure is recognised when a liability is incurred.

Grant payments are recognised when a constructive obligation arises that results in the payment being required.

Raising funds are those costs incurred in attracting voluntary income.

The costs of appeals are matched where possible with the income generated. The accounting effect of this policy means that, at the balance sheet date, a proportion of the cost of the December mailing is carried forward as a prepayment as part of the response anticipated in January.

Support costs including central functions and costs primarily associated with constitution and statutory requirements have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff cost by work done, office costs by floor area, return mail processing and finance costs by work done. The staff costs which relate specifically to fundraising for the charity have been apportioned within support costs on the basis of time calculated as spent on this activity.

### Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements over the term of the lease	
Plant and equipment	20% on cost

All assets are capitalised at a cost.

### Intangible Fixed Assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Website development and software	20% on cost
----------------------------------	-------------

All assets are capitalised at cost

### Fund accounting

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or donations subject to conditions imposed by donors.

Designated funds comprise funds set aside out of unrestricted funds for a specific purpose.

### Leasing Commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

### Foreign currency transactions

Transactions denominated in a foreign currency are translated into sterling at the rates of exchange ruling at the date of the transaction or at an average rate for the relevant month where that provides a close approximation.

### Stock

The stock held if used for the direct marketing mailings, all the stock is held at the printers and valued at cost price

### Other Financial Instruments

#### i. *Cash and cash equivalents*

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less. As at 31st December 2020 total cash held was £239,843 (2019: £317,447)

#### ii. *Debtors and Creditors*

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest. Balances for 2019 and 2020 are set out in notes 10 to 12.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 2. VOLUNTARY INCOME

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Donations received (including recoverable gift aid)	2,329,380	67,795	2,397,175	2,330,411
Legacies and bequests	621,382	-	621,382	615,241
<b>Total</b>	<b>2,950,762</b>	<b>67,795</b>	<b>3,018,557</b>	<b>2,945,652</b>

### 3 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
<b>COST OF GENERATING FUNDS:</b>				
Fund raising and publicity	229,743	120,272	350,015	256,481
<b>CHARITABLE EXPENDITURE:</b>				
Grant to the Sisters of Mary	2,070,024	-	2,070,024	2,084,259
Other Charitable Expenditure	233,886	221,323	455,209	555,565
<b>TOTAL CHARITABLE EXPENDITURE</b>	<b>2,303,910</b>	<b>221,323</b>	<b>2,525,233</b>	<b>2,639,824</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>2,533,653</b>	<b>341,595</b>	<b>2,875,248</b>	
<b>31 December 2019</b>	<b>2,571,911</b>	<b>324,394</b>		<b>2,896,305</b>

<b>FUND RAISING AND PUBLICITY EXPENSES HAVE BEEN INCURRED ON THE FOLLOWING:</b>	2020	2019
Direct Mail	229,743	175,175
Support Costs	120,272	81,306
	<b>350,015</b>	<b>256,481</b>

Support Costs consist of three main elements: management and staff costs, office costs and return mail processing and finance costs. These costs have been apportioned across the work of the charity on the basis in Note 1 and allocated to each of the charity's activity as set out in the table below.

	Management & Staff (Staff) (Note 4) £	Office Costs (Area) £	Total 2020 £	Total 2019 £
<b>BASIS OF APPORTIONMENT</b>				
Fund raising and Publicity	84,614	35,658	120,272	81,306
Charitable Activities	142,116	32,915	175,031	193,507
Other Costs	27,169	17,829	44,998	49,581
<b>Total costs allocated</b>	<b>253,899</b>	<b>86,402</b>	<b>340,301</b>	
<b>31 December 2019</b>	<b>217,834</b>	<b>106,560</b>		<b>324,394</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 4. NET MOVEMENT IN FUNDS

	2020 £	2019 £
<b>NET MOVEMENTS IN FUNDS</b>		
Net movement in funds is stated after charging:		
<b>OPERATING LEASE PAYMENTS</b>	<b>48,840</b>	<b>72,979</b>
<b>AUDITORS REMUNERATION:</b>		
- Audit services	18,000	18,000
- Amount due to prior year auditors	-	8,635
- Accountancy and other professional services	4,959	19,011

### 5. LEGACY INCOME

World Villages for Children is aware of legacies of which the charity's share is estimated at £62,000 (2019: £3,000). This has not been included in these financial statements as it does not reach the necessary recognition criteria as laid out by the charity's accounting policy.

### 6. STAFF COSTS

	2020 £	2019 £
<b>STAFF COSTS COMPRISE:</b>		
Wages and salaries	224,555	190,539
Social security costs	20,146	17,098
Pension costs	4,472	3,591
	<b>249,173</b>	<b>211,228</b>
Employee Seminars & Training	299	1,271
	249,472	212,499
<b>Headcount</b>	<b>6</b>	<b>5</b>

Key management personnel includes the Trustees. Total remuneration paid to such personnel amounted to £56,713 (2019: £56,903)

There are no higher paid employees earning £60,000 per annum or more (2019: none).

### 7. TRUSTEES REMUNERATION

A total of £1,293 (2019: £2,111) expenses were paid by the charity in the year. This was for two of the trustees and covered the cost of accommodation and travel required to fulfil their duties. Nicola Lawson, who became a trustee in July 2016, received remuneration of £49,750 and pension of £1,306 during the year, in her capacity as an employee of the charity. This has been discussed and agreed with the Charity Commission. No other trustee receives remuneration (2019: £nil).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 8. TANGIBLE FIXED ASSETS

	Improvements £	Equipment £	Total £
<b>COST</b>			
At 1st January 2020	75,556	18,947	94,503
Additions	-	783	783
Disposals	-	-	-
At 31 December 2020	75,556	19,730	95,286
<b>DEPRECIATION</b>			
At 1st January 2020	4,397	13,127	17,524
Charge for the year	7,556	2,119	9,675
Accum Depreciation on Disposals	-	-	-
At 31st December 2020	11,953	15,246	27,199
<b>NET BOOK VALUE</b>			
At 31st December 2020	63,603	4,484	68,087
At 31st December 2019	71,159	5,820	76,979

The fixed assets are used wholly for the activities of the charitable company.

### 9. INTANGIBLE FIXED ASSETS

	Website development & software costs	Total £
<b>COST</b>		
At 1st January 2020	33,311	33,311
Disposal	-	-
At 31 December 2020	33,311	33,311
<b>AMORTISATION</b>		
At 1st January 2020	19,642	19,642
Charge for the year	7,123	7,123
Disposal	-	-
At 31st December 2020	26,765	26,765
<b>NET BOOK VALUE</b>		
At 31st December 2020	6,546	6,546
At 31st December 2019	13,669	13,669

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 10. DEBTORS

	2020 £	2019 £
Legacies receivable	370,699	481,771
Gift aid receivable	27,304	29,864
Prepayments	41,553	52,322
Other debtors	19,419	30,425
	458,975	594,382

### 11. CREDITORS DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	75,968	285,700
Amounts due to affiliates of World Villages for Children	-	151,636
	75,968	437,336

### 12. CREDITORS DUE IN MORE THAN ONE YEAR

	2020 £	2019 £
OTHER CREDITORS	15,335	33,238

### 13. LEASE COMMITMENTS

	LAND AND BUILDINGS	
	2020 £	2019 £
At 31st December, the charity has total future minimum commitments under operating leases as follows:		
Within one year	57,456	57,456
Between one and five years	190,471	229,824
Over five years	-	18,103
	247,927	305,383

### 14. CONNECTED PARTIES

World Villages for Children based in the United Kingdom pays on behalf of, and has had paid on its behalf, various expenses related to the charity as a whole by other affiliates based overseas.

The charity made grants totalling £2,070,024 to The Sisters of Mary in the year (2019: £2,084,259), which while not a strict affiliate is closely aligned to the ideals of the charity.

Balances between other affiliates have been settled before the balance sheet date except for those balances due to, and from, such affiliates as disclosed in Notes 10 and 11 of the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 14. CONNECTED PARTIES (CONTINUED)

Two trustees of the charity, Sister D.L Cho and Sister Elena Grengia Belarmino also sit on the boards of four other humanitarian entities that all share similar vision and purpose as World Villages for Children; these entities are in France, Netherlands, Belgium and the US. In addition, one former trustee, Sister Y Cheong, also sits on the board of the U.S entity. However, World Villages for Children does not consolidate these foreign entities in its financial statements, as they are separate legal entities with no one controlling party.

They were no other financial dealings with these entities during the year, apart from those transactions, and year end balances already disclosed below (and as shown within Notes 8 and 9 of the financial statements).

Of the foreign entities mentioned above, the following transactions occurred:

	Country	2020 Payments (to)/from £	2020 Balance	2019
<b>DEBTORS / (CREDITORS)</b>				
Asian Relief, Inc.	US	(151,636)	-	(151,636)

There was an agreement by the boards of both the US and UK charity, formalised with a Memorandum of Understanding signed in December 2020. This agreed that the balance owing to the US World Villages for Children would be directly remitted to The Sisters of Mary to support their charitable works. This payment was made on 29th December 2020 and is seen as a full settlement of the debt.

### 15. MEMBERS' LIMITED LIABILITY

The company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while they are a member. This contribution, not exceeding £10, covers the payment of debts and liabilities of the company contracted before each individual ceased to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves.

### 16. ANALYSIS OF CHARITABLE FUNDS

	Balance @ 01.01.2020 £	Income £	Expenditure £	Transfers £	Balance @ 31.12.2020 £
Unrestricted	536,943	2,951,389	(2,810,624)	-	677,708
Restricted	16,727	67,795	(64,624)	-	19,898
Total	553,670	3,019,184	(2,875,248)	-	697,606

The restricted funds relate to an appeal that raised funds for the school in Guatemala.

	Balance @ 01.01.2019 £	Income £	Expenditure £	Transfers £	Balance @ 31.12.2019 £
Unrestricted	493,490	2,926,499	(2,893,046)	10,000	536,943
Restricted	10,194	19,792	(3,259)	(10,000)	16,727
Total	503,684	2,946,291	(2,896,305)	-	553,670

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Intangible fixed assets	6,546	-	6,546
Tangible fixed assets	68,087	-	68,087
Cash at bank and in hand	219,945	19,898	239,843
Other net current assets	398,465	-	398,465
Creditors falling due in more than one year	(15,335)	-	(15,335)
	677,708	19,898	697,606
	Unrestricted Funds 2019	Restricted Funds 2019	Total 2019
Intangible fixed assets	13,669	-	13,669
Tangible fixed assets	76,979	-	76,979
Cash at bank and in hand	300,720	16,727	317,447
Other net current assets	178,813	-	178,813
Creditors falling due in more than one year	(33,238)	-	(33,238)
	536,943	16,727	553,670

### 18. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted 2019 £	Restricted 2019 £	Total Funds £
<b>INCOME FROM</b>			
Donations and legacies			
Donations and grants	2,310,619	19,792	<b>2,330,411</b>
Legacies	615,241	-	<b>615,241</b>
Interest income	639	-	<b>639</b>
<b>Total</b>	<b>2,926,499</b>	<b>19,792</b>	<b>2,946,291</b>
<b>EXPENDITURE ON:</b>			
Raising Funds	256,481	-	<b>256,481</b>
Charitable Activities	2,636,565	3,259	<b>2,639,824</b>
<b>Total</b>	<b>2,893,046</b>	<b>3,259</b>	<b>2,896,305</b>
<b>Net Income</b>	<b>33,453</b>	<b>16,533</b>	<b>49,986</b>
Transfer between funds	10,000	(10,000)	-
<b>Net movement in funds</b>	<b>43,453</b>	<b>6,533</b>	<b>49,986</b>
<b>Total Funds Brought Forward</b>	<b>493,490</b>	<b>10,194</b>	<b>503,684</b>
<b>Total Funds Carried Forward</b>	<b>536,943</b>	<b>16,727</b>	<b>553,670</b>





School poster making competition, 2020



**“EDUCATION HAS BEEN SERIOUSLY AFFECTED BY THE PANDEMIC. MOST OF THE WORLD’S COUNTRIES HAVE SHUT THEIR SCHOOLS IN AN EFFORT TO SLOW THE TRANSMISSION OF THE VIRUS. BUT WE CONTINUE TO HAVE ACCESS TO QUALITY EDUCATION. ALL THESE ARE MADE POSSIBLE BY THE PEOPLE WHO HAVE HELPED US EVERY STEP OF THE WAY.”**

Shiela, Philippines Graduate, 2020.



**World Villages**  
for Children

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Registered Charity Number: 1058973

