SOS CHILDREN'S VILLAGES UK

England & Wales · Charity number 1069204

Details

Other names	SOS CHILDREN, WORLD ORPHAN WEEK, WOW
Status	Registered
Legal form	Charitable company
Company number	03346676
Registered	1998-04-21
Register	View on the Charity Commission register

Contact

Address	Sos Children's Villages UK Ravenscroft House 59 Regent Street Cambridge CB2 1AB
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Website	www.soschildrensvillages.org.uk

Activities

Objects: THE COMPANY IS ESTABLISHED FOR THE ADVANCEMENT OF EDUCATION, THE RELIEF OF POVERTY AND THE PROMOTION OF GOOD HEALTH OF VULNERABLE CHILDREN, PARTICULARLY BUT NOT EXCLUSIVELY BY (I) THE ESTABLISHMENT AND MAINTENANCE THROUGHOUT THE WORLD OF SOS CHILDREN'S VILLAGES AND (II) THE EDUCATION AND TRAINING OF CHILDREN AND YOUNG PERSONS FROM SOS CHILDREN'S VILLAGES.

Activities: SOS Children's Villages UK is part of a global federation founded in 1949. Working in over 130 countries, the SOS Children's Villages federation is the world's largest non-governmental group focused on supporting children and young people who don't have, or at risk of losing, parental care. SOS Children's Villages UK supports children in over 100 of these today.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Overseas Aid/famine Relief
- **Who:** Children/young People, Other Defined Groups

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Geography

- **Area of benefit:** THROUGHOUT THE WORLD
- Argentina
- Armenia
- Bangladesh
- Belarus
- Benin
- Bosnia And Herzegovina
- Brazil
- Burundi
- Cambodia
- Cape Verde
- Chile
- Congo (Democratic Republic)
- Dominican Republic
- El Salvador
- Equatorial Guinea
- Eswatini
- Ethiopia
- Ghana
- Guatemala
- Haiti
- Honduras
- India
- Indonesia
- Jordan
- Kenya
- Kyrgyzstan
- Laos
- Lebanon
- Macedonia
- Malawi
- Mali
- Mexico
- Mozambique

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- Nepal
- Nicaragua
- Pakistan
- Peru
- Philippines
- Senegal
- Somalia
- South Africa
- Sri Lanka
- Tanzania
- The Gambia
- Togo
- Uganda
- Ukraine
- Zimbabwe

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,138,744	£7,772,382	£2,438,889	29
2023-12-31	£5,421,374	£8,348,238	£3,959,595	26
2022-12-31	£8,441,443	£7,042,983	£6,835,937	24
2021-12-31	£7,848,786	£5,225,675	£5,462,414	24
2020-12-31	£4,265,006	£4,957,943	£2,683,806	22

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Trustees

Name	Role	Appointed
Harpinder Collacott		2022-01-01
Janet Reilly		2023-04-13
Jonathan Steinback		2023-04-13
Kim Annette Bowden		2023-12-07
Louise Mary McDonald		2023-04-13
Solava Samir Saad Mohamed Ibrahim		2020-07-08
Suli Ulla Anja Hampson		2023-04-13

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SOS CHILDREN'S VILLAGES UK

England & Wales - Charity number 1069204

Accounts

Annual Report & Accounts 2024

SOS CHILDREN'S VILLAGES
UNITED KINGDOM

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We have changed the names of many of the children, young people and adults within this publication to protect their identities.

Photo: A family hugging, India. © Lydia Mantler

Welcome

In so many ways, the world we are living and working in feels more uncertain than ever. We're seeing seismic shifts in the global political landscape, economic volatility, the ever-worsening impact of climate change, and significant reductions to the aid funding designed to tackle these global challenges.

In 2024 we were called upon to respond to growing crises and humanitarian emergencies; volatile and devastating conflict in the Middle East, the ongoing war in Ukraine, and the refugee crisis in South Sudan. Last year alone, SOS Children's Villages globally implemented 101 humanitarian projects. For the families and communities we support, the challenges remain immense and unpredictable.

The landscape in which we work may be shifting, but our resolve to support children and young people remains steadfast. SOS Children's Villages UK has always been in it for the long haul. We know that children thrive when they are with their families, and we are dedicated to stopping family separation and strengthening families' abilities to weather life's storms. In 2024, we worked to support over 6,000 families, helping them stay together.

We listen to young people, families and communities to understand the tools and resources they need to build bright, successful futures, rooted in care and love for children and young people. We then tailor our approaches to meet their unique needs – delivering solutions informed by their voices and focused on where we can have the greatest impact. In 2024, we also began to develop a new initiative which connects research, programmes and advocacy within the SOS Children's Villages Federation and beyond, to help inform and continue to improve the impact of our work.

We are dedicated to facing the uncertainties of the future hand in hand with the children, families and communities we support. And we couldn't do this without you by our side. We are hugely grateful for our loyal supporters' ongoing trust, belief and commitment to our work, and we hope you enjoy reading about the immense impact of that support over the past year. You are helping to change the futures of thousands of children and families around the world.

Thank you.

Alison Wallace
CEO

Harpinder Collacott
Chair of Trustees

Who we are

Every child deserves to grow up with love, respect and security. Families come in all shapes and sizes, but what truly matters is that children and young people have a sense of belonging, and are supported by individuals who care for them and believe in them.

But 1 in 10 children and young people are separated from their families, abandoned, or forced to live in abusive environments. This can kick-start a cycle of neglect, as generation after generation repeat the behaviour they learnt as a child.

Together, we are breaking this cycle.

SOS Children's Villages UK is part of a global federation operating in over 130 countries and territories. Founded in 1949, SOS Children's Villages is the world's largest non-governmental organisation focused on supporting children and young people without, or at risk of losing, parental care.

We are there for children every step of the way. From caring for children without parental care, and helping families to stay together, to guiding young adults toward self-reliance and protecting children in emergency situations.

By nurturing trust, confidence, and a sense of belonging, we empower children to find their voices and build brighter futures.

What we do

Every child is unique, so we tailor our support to meet each child, family and community's individual needs. We do this through:

Keeping families together: we support and strengthen families who are under pressure, helping them to stay together.

Caring for children: when children are not able to stay with their families we provide many forms of quality, alternative care according to each child's unique needs.

Youth employability and education: through training, mentoring and developing skills, we help young people to prepare for their future and find employment or set up businesses.

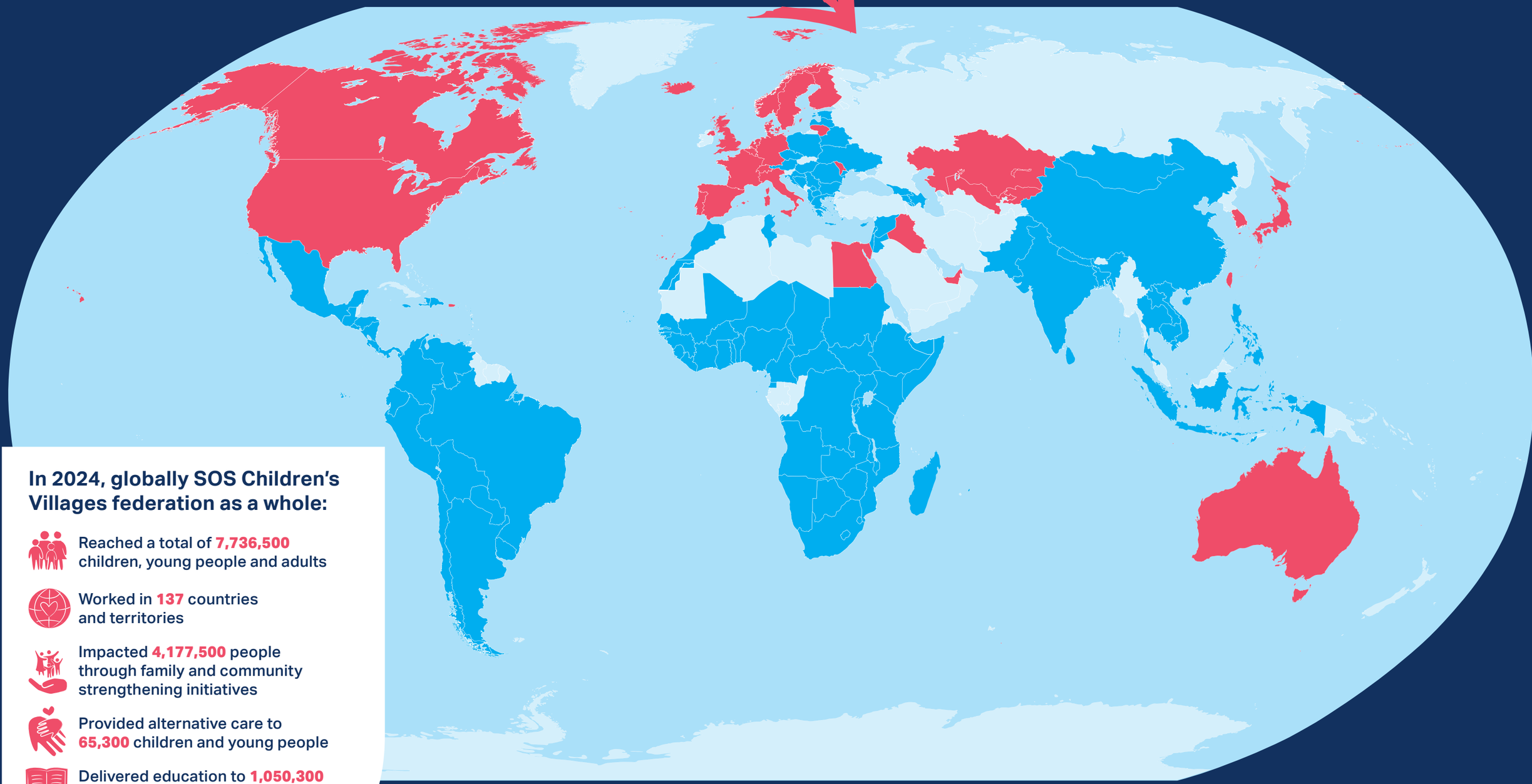
Protecting children in emergencies: we support children and families in disasters, emergencies and crisis situations, helping with their physical and psychological needs.

Advocacy and research: we take action to amplify the voices of children and young people and bring them to the forefront of policy and decision-making, working with states and partners to ensure that their rights are respected.

Children playing on a slide, Dominican Republic.
© SOS Children's Villages Canada

We see each child,
no matter what the circumstances

Where we work



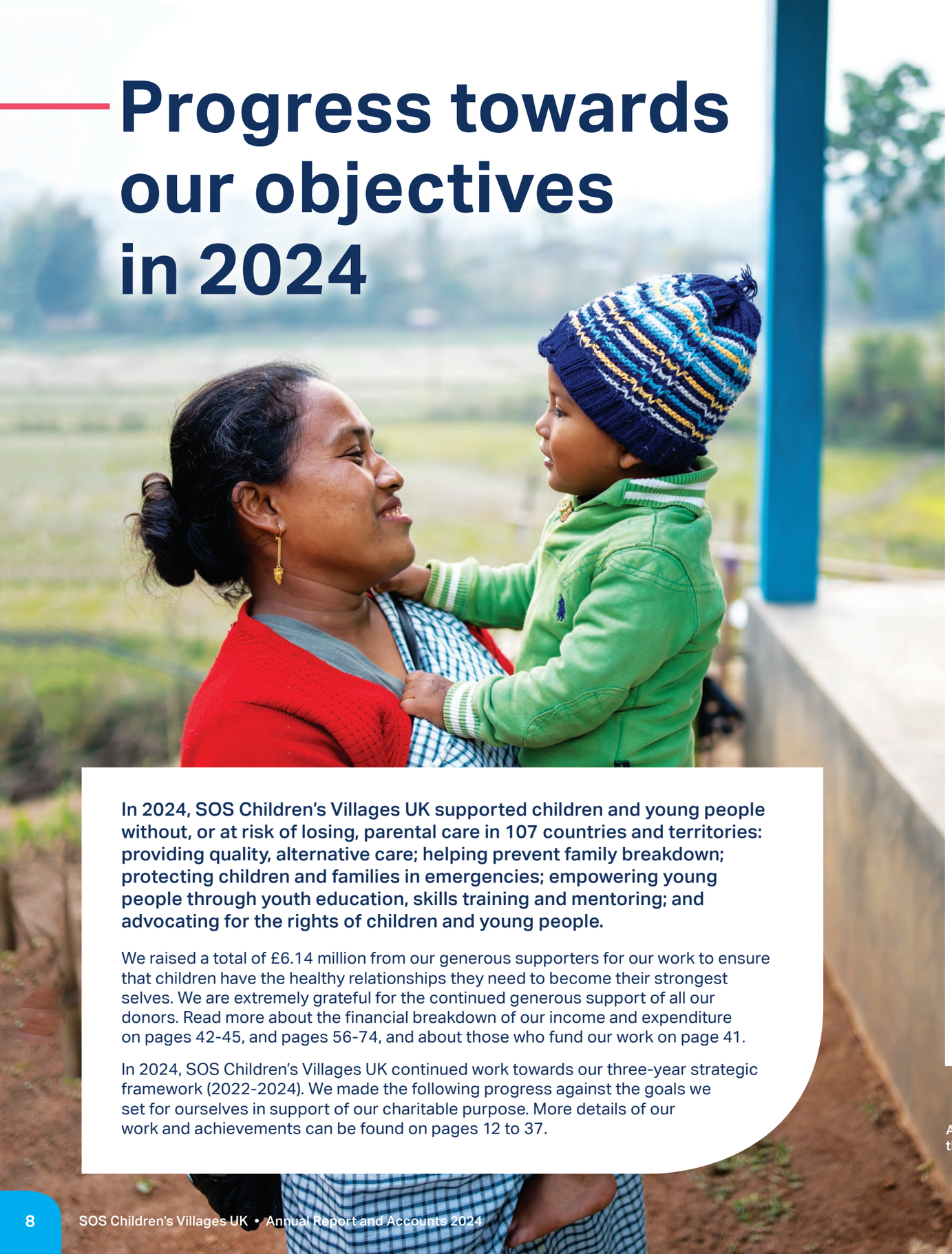
In 2024, globally SOS Children's Villages federation as a whole:

- Reached a total of **7,736,500** children, young people and adults
- Worked in **137** countries and territories
- Impacted **4,177,500** people through family and community strengthening initiatives
- Provided alternative care to **65,300** children and young people
- Delivered education to **1,050,300** children, young people and adults
- Assisted **2,268,600** people through humanitarian action

Countries/territories where SOS Children's Villages was active in 2024, directly supported by SOS Children's Villages UK

Countries/territories where SOS Children's Villages was active in 2024, not directly supported by the UK

Progress towards our objectives in 2024



In 2024, SOS Children's Villages UK supported children and young people without, or at risk of losing, parental care in 107 countries and territories: providing quality, alternative care; helping prevent family breakdown; protecting children and families in emergencies; empowering young people through youth education, skills training and mentoring; and advocating for the rights of children and young people.

We raised a total of £6.14 million from our generous supporters for our work to ensure that children have the healthy relationships they need to become their strongest selves. We are extremely grateful for the continued generous support of all our donors. Read more about the financial breakdown of our income and expenditure on pages 42-45, and pages 56-74, and about those who fund our work on page 41.

In 2024, SOS Children's Villages UK continued work towards our three-year strategic framework (2022-2024). We made the following progress against the goals we set for ourselves in support of our charitable purpose. More details of our work and achievements can be found on pages 12 to 37.

1. **Working with other SOS Children's Villages and external partners, continue to support children and young people who have lost parental care and families at risk of breakdown, through the provision of quality alternative care and delivery of a range of programmes. This includes initiatives aimed at strengthening families and family and community economic empowerment; providing employability and mentoring opportunities; and delivering humanitarian assistance for children and families impacted by humanitarian crises.**

Where possible, we strive to ensure children can be cared for by their families, and in 2024, we continued our work to keep families together. We supported approximately 6,000 families across seven countries through education, economic empowerment, parenting skills, health, child protection and community support initiatives. Through this work to support and strengthen families we provided specific opportunities for girls and mothers, such as vocational skills training.

For children who are unable to live with their families, we continued to provide quality alternative care. Thanks to our 5,295 sponsors, in 2024, SOS Children's Villages UK ensured the provision of quality care and support for 4,058 children and young people across 433 locations. Around the world, SOS Children's Villages is placing greater emphasis on actions to prevent family breakdown and reintegrate children in our care with their extended families, as well as supporting more community-based approaches such as foster and kinship care. So in 2024, rather than just securing new sponsorships to help fund our work, we focused on bringing in 2,693 new regular donors who help provide sustainable funding for all of our programmes.

Also this year, SOS Children's Villages UK worked in partnership with trusts and foundations, companies and individuals to support over 4,000 young people with youth employability, training and mentoring activities in 14 different countries. These essential programmes helped them build the confidence and skills needed for a bright and secure future. This included contributing to two global initiatives – SOS Children's Villages' YouthCan! and Futuremakers by Standard Chartered. Over the past year, we've supported over 1,000 young people through the Futuremakers initiative, helping them gain skills and establish businesses in such diverse fields as solar installation, nursing, catering and agriculture. Through SOS Children's Villages 'Digital Villages' initiative, we supported computer 'labs' in Sierra Leone and Pakistan, enabling vulnerable young people and families to access computers, acquire technology skills, connect safely online and access e-learning.

As part of our commitment to support children and families impacted by humanitarian crises, from the UK, we contributed nearly £330,000 to programmes in the Middle East, Ukraine, South Sudan, and Haiti. This included aiding the protection of children in Gaza, and helping to keep a group of children evacuated from SOS Children's Villages Rafah to the West Bank, safe and healthy.

A mother hugs her child standing in their garden, India. © Lydia Mantler

2.

In response to changes in our external environment, continue our shift away from the Village model of care towards longer-term, more sustainable programmes, supporting work directly with families and communities, including in The Gambia and Zambia. Working in partnership with SOS Children's Villages colleagues in different locations, ensure the programmes being delivered are in the best interests of each child; are effectively designed, monitored and implemented; and contribute as part of SOS Children's Villages Strategy 2030.

For many children and young people who today are at risk of being left without care, there are often family or community members who would be able to care for them if given the right support.

In The Gambia and Zambia, we continued to support the transition towards more community-based care for children and young people, alongside developing our family-strengthening and youth employability work. 170 children and young people were safely re-integrated back into their communities over the past year, in close collaboration with the governments of both countries. In Zambia, we carried out family and community assessments for 143 homes, and continued to deliver kinship care, care within small group homes and supervised independent living.

In India, we're working in partnership with SOS Children's Villages India to help families earn a living, support children to stay in school, and ensure caregivers can access the government services and support available to them. Through our Kinship Care Programme, in 2024 we supported 319 children across nine locations to live with their extended family.

In Zambia and The Gambia, we've been working in partnership with other SOS Children's Villages associations, to support safe, sustainable and impactful programmes that have children, communities and families at their heart. This includes supporting our colleagues through safeguarding training, financial planning and programme development, as well as supporting them to advocate for the government to take more ownership for caring for children. In Basse, The Gambia, the government has agreed to take over management of SOS Children's Villages' schools which is a significant step in securing long-term support for children and young people in the region.

3.

Begin to build partnerships and networks which lay the groundwork for new areas of research and advocacy activity. Leverage SOS Children's Villages' presence in the UK for the benefit of the Federation as a whole, and to inform the work of other iNGOs operating in the same or a similar space, while influencing decision-making and advocating for children and young people.

Throughout 2024, we began building relationships to deliver more global impact through advocacy and research activities.

We connected with peers to call for a ceasefire in the Middle East and to advocate on behalf of children impacted by the conflict.

3.

In November, we worked to support Colombian colleagues' satellite event at the Global Ministerial Conference on Ending Violence Against Children in Bogota, and worked with other international non-governmental organisations to influence UK Government pledges around the conference. We participated in an advisory group, chaired by the Sexual Violence Research Initiative (SVRI), and also attended their Global Forum in South Africa. As part of an SOS Children's Villages delegation participating in the International Society for the Prevention of Child Abuse and Neglect (ISPCAN) conference in Stockholm in August, we supported the presentation of findings from the SOS Children's Villages' report Children's Care and Protection: Understanding and preventing the separation of children from their families.

We also began the development of a new initiative within SOS Children's Villages, which will connect the pillars of research, programmes and advocacy in the Federation and beyond. Working in partnership with other organisations, this will draw together resources, insights and research to inform our work and that of the wider sector, and ultimately keep children safer.

4.

Continue to invest in our people, systems, processes and operations, developing the infrastructure necessary to further strengthen our fundraising, programme delivery and safeguarding. With the specific aims of continuing to ensure our unrestricted income is a minimum of 40% of our total income; making long-term commitments to the SOS Children's Villages programmes we support globally; raising awareness of the work we are doing; and working in partnership to amplify our impact.

In 2024 we continued to scale up our fundraising investment, strengthening our income portfolio which allows us to have a sustainable, long-term impact. In particular, we focused on growing unrestricted regular giving, as well as raising our UK brand profile to appeal to new audiences. In November, we launched a new website to better engage our supporters and other audiences and more effectively communicate about who we are, the work we do, the impact this has and how people can support us. Alongside this, we continued to invest in and improve our systems and processes. In particular, we strengthened our cyber security and continued embedding a new marketing platform and digital phone system, enabling us to better serve our supporters.

In 2024, 59% of our total income was unrestricted, significantly more than our target of 40%. Flexible, unrestricted income is vital to enable us to commit sustainable support to SOS Children's Villages' global programmes and ensure funds are used where they are most needed.

High standards of safeguarding are fundamental to SOS Children's Villages UK in supporting not only children but also adults to feel safe, loved and respected. In 2024, we appointed our first Safeguarding, Compliance and Governance Manager who has been positively engaging with the wider federation to help continually improve safeguarding practices and processes. We also increased our support to partners within the federation, including providing safeguarding training and guidance to SOS Children's Villages Zambia, SOS Children's Villages The Gambia, and SOS Children's Villages Palestine.

Keeping families **together**

By strengthening families during their most vulnerable times, we help build their resilience and reduce the risk of family breakdown and separation. We work to ensure that children grow up surrounded by the love and care that they deserve, positively impacting the health, wellbeing and stability of entire communities, and laying the foundations for future generations to thrive.

We believe that wherever it is safe and possible the best place for a child is with their family. However, families under extreme pressure, facing severe and multiple challenges such as livelihood loss, illness or death, conflict or natural disasters are at increased risk of separation. Children from these families are more likely to grow up alone and without support.

We work with parents and caregivers to share and build the skills, knowledge, and resources they need to provide a secure, loving, and supportive environment for their children. In 2024, SOS Children's Villages UK reached approximately 6,000 families in seven countries, through education, economic empowerment, vocational skills training and mentoring, parenting skills, healthcare and community support initiatives designed to strengthen families and communities, protect children, and prevent separation.

Through this work to keep families together, we provided specific opportunities for girls and mothers. We worked to ensure they had access to education and employment opportunities, developed new skills and built confidence. This assisted girls and mothers to gain greater independence, and their own income, which in turn helped to keep families together and ensured that children were better supported and able to stay in education.

Helped strengthen families across 7 countries

Impacted 10,000 children and young people through work to keep families together

A father talks to his daughters and grandchildren, Zambia. © Maisie Marshall

Three boys laughing, Colombia.
© SOS Children's Villages Colombia

Supporting and strengthening families

Our family strengthening programmes help families to cope with multiple pressures, preventing breakdown and ensuring children continue to receive love, care and support. In 2024, we worked with our partners to deliver a diverse range of projects, all with the ultimate aim of supporting families to meet their immediate needs, stay together and rebuild for a stronger future.

Eyes on the Future in Colombia

Providing appropriate healthcare for children struggling with visual needs places additional stress on families and can severely impact a child's education and future quality of life. To counter this, with generous support from Pinsent Masons, SOS Children's Villages UK supported eye tests for 143 children and young people from family strengthening programmes around Colombia. 75% of the children tested said that they had experienced headaches, eye pain and difficulty concentrating.

The children were linked with optometrists for specialised consultations and treatment, including the provision of lenses and frames to correct visual impairments. 98% of the children tested required corrective lenses to address conditions such as astigmatism, hyperopia and myopia. One 8-year-old girl was found to have monocular blindness due to toxoplasmosis and was immediately referred for specialist care, which may have otherwise have taken years to diagnose.

Family-centred care for Zambian children

Throughout 2024, in Zambia, we supported more than 867 families to become more self-reliant. Working alongside community-based organisations, we helped families to develop business plans and proposals, and provided training in financial literacy and entrepreneurship, and climate-smart agriculture. We worked alongside the Government of Zambia and social workers, to enable 112 children to reintegrate from SOS Children's Villages back into their communities. Our close collaboration with the government has built momentum and interest in national care policy reforms that we hope will have far-reaching benefits for keeping families together.

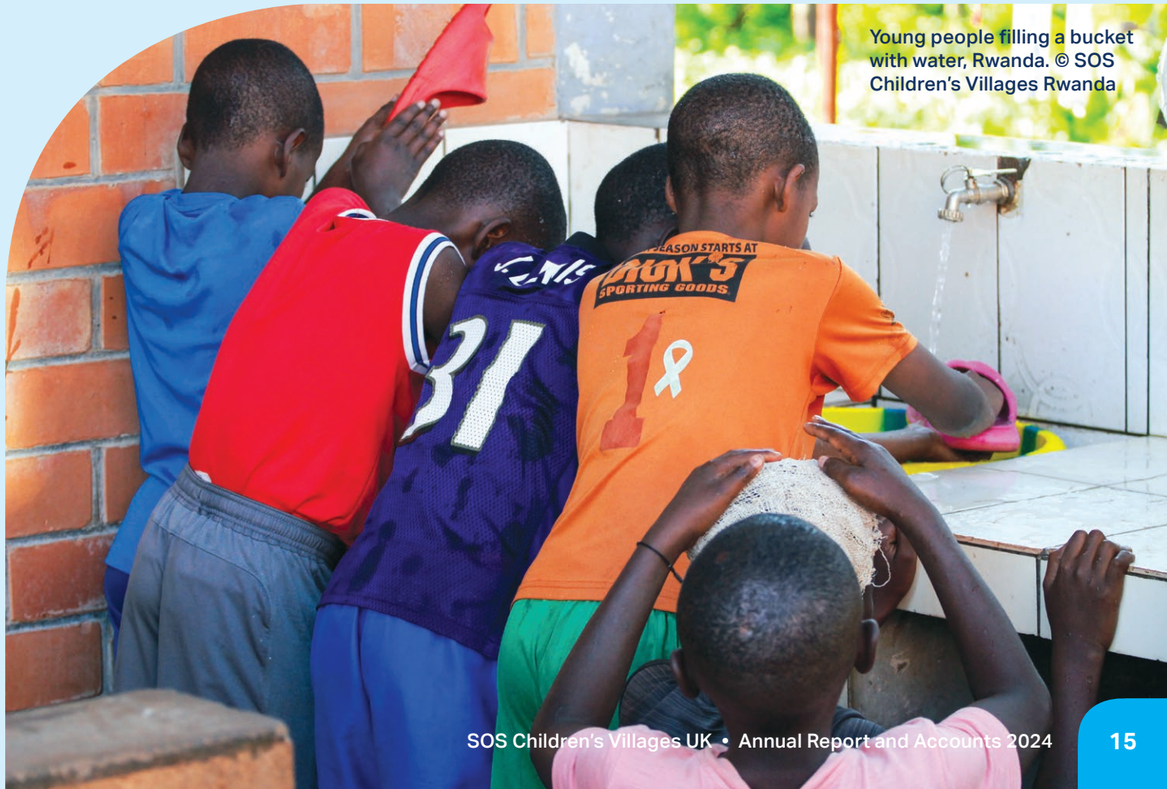
Clement Champion is a leader of Pache Pache Community Group in Zambia:

> ***"Parents and the community learn about how to protect children and good parenting skills, and also things like cooking and gardening. Vulnerable families and caregivers have been given grants so that they can raise their incomes, which means they will be able to take their children to school. Young men and women have been trained in skills like tailoring and driving, and we learn about village savings and loans. I really want to thank SOS Children's Villages for their support."***

Safe water in Rwanda

In the face of worsening drought in Nyamirama, Rwanda, women and girls were forced to spend hours walking to find and collect water from unsafe water sources. This took them away from school or earning an income and left children at risk of dangerous waterborne diseases.

With timely funding from the States of Guernsey Overseas Aid & Development Commission, our local team was able to install a pump to bring safe water from a natural reservoir. This met the immediate needs of 60 people in the community, relieving the immense strain on families' of having to travel to collect water. Next, a community water kiosk will be installed, which alongside a hygiene awareness campaign will improve access to water, health and hygiene for other families.



Young people filling a bucket with water, Rwanda. © SOS Children's Villages Rwanda

Improving parenting and parity for girls and boys in India

In many parts of India, long-held traditional beliefs and limited resources means boys' education and wellbeing is often prioritised over girls'. As a consequence, girls are more vulnerable to exploitation and violence, health risks and reduced economic opportunities. But across the country, SOS Children's Villages UK, SOS Children's Villages India and SOS-Kinderdörfer Weltweit are shifting mindsets and ensuring equal and quality care for both boys and girls, through a partnership to strengthen families and support kinship care.

In 2024, family strengthening co-workers met regularly with communities offering parenting, hygiene and food preparation classes, building trust and demonstrating the benefits of greater inclusion of girls in education, to more than 4,200 families.

As a result, parents and caregivers have learned positive parenting techniques, are spending time with their children to strengthen family bonds and are increasingly involved in their children's education. Crucially, families are supporting girls to access learning and skills that will benefit them, their family and wider community, including by reducing their household chores so that they have time to study.

Those caring for children have also been helped to improve their incomes by accessing existing government services and training tailored to their different interests, skills and experience. Hand in hand with these efforts to support families, we worked with community support mechanisms to help them ensure the safety, health and development of children over the long-term. As a consequence local groups are seeing positive impacts, for example, in Begusarai, Bihar they are successfully reducing child marriage, and in urban Aredi the Child Protection Committee is working with others to tackle substance abuse – a major challenge for young people.

Hope after loss for Nishanthini

Two years ago, 14-year-old Nishanthini from Nagapattinam lost both her parents. She is now cared for by her grandmother and uncle Karthik, but they have struggled to afford her school fees.

"For the first two years, we did not have any support. But then we heard about SOS Children's Villages and approached them. After enrolment into their Kinship Care Programme, they started helping our beloved child," recalls her uncle.

The programme helps children who have lost parental care to stay with relatives, providing financial and emotional support so they can grow up in a stable, nurturing environment. Despite the challenges, Nishanthini, her grandmother and uncle were determined she would keep learning. Their household income was not sufficient to cover her school fees, so SOS Children's Villages stepped in. This enabled Nishanthini to continue in the same school, minimising further disruption to her life.

Nishanthini, her uncle and grandmother laughing with each other, India. © Maisie Marshall

> *"When I grow up, I want to become a teacher. I like teaching young children, and I like spending time with small kids. It makes me happy.*
>
> Nishanthini, India

Nishanthini has a creative spark *"I like painting, I like to draw, and I like English subjects"* she shares. *"This year I participated in the school's Annual Day Dance programme, practicing dance for two to three weeks."*

As well as keeping Nishanthini in school and with her kin, SOS Children's Villages supported her to deal with the sudden loss of both parents and to establish shared and happy memories with her new family.

"SOS Children's Villages organised a movie screening at the theatre, arranged transport, and supported the children to socialise. These activities can support them to continue their lives normally without feeling different from others" says Karthik.

Supported by her family and SOS Children's Villages, Nishanthini is feeling positive, and even aspires to help others in the future.

> ***"When I grow up, I want to become a teacher. I like teaching young children, and I like spending time with small kids. It makes me happy."***

Caring for **children**

Every child needs a safe and secure environment to grow and develop – somewhere they feel loved and supported. In most cases, the best place for a child is with their families, and we work to support families so that wherever possible, children can be cared for by them or by extended families and communities. When that's not possible, we step in to ensure children are provided with the care that they need.

There are many reasons, including illness, loss of income, or displacement during emergencies which lead to children – either temporarily or permanently – being unable to be cared for by their families. SOS Children's Villages supports a range of quality care options suited to an individual child's needs and the local context. This includes foster care, kinship care, where children live with their extended family, and small group homes. Our communities around the world provide a safe, loving, family-like home for children to ensure they grow up with strong human connections so they can thrive.

Thanks to our 5,295 sponsors, in 2024, SOS Children's Villages UK ensured the provision of quality care and support for 4,058 children and young people across 107 countries. We also delivered a number of other projects which enabled the better care of children.

For many children and young people who today are at risk of being left without care, there are often family or community members who would be able to look after them if given the right support. Around the world, SOS Children's Villages is placing much greater emphasis on such preventative actions, as well as supporting more community-based approaches such as foster and kinship care. Ultimately, we work in the best interests of each child and strive to ensure that every child is cared for based on their individual needs, and in the environment in which they will thrive.

Supported the provision of quality alternative care for 4,058 children

Cared for children in 107 countries

Children play at a family support centre, Ukraine. © Alea Horst

A mother and her daughter talk while cooking dinner, The Gambia. © Jakob Fuhr

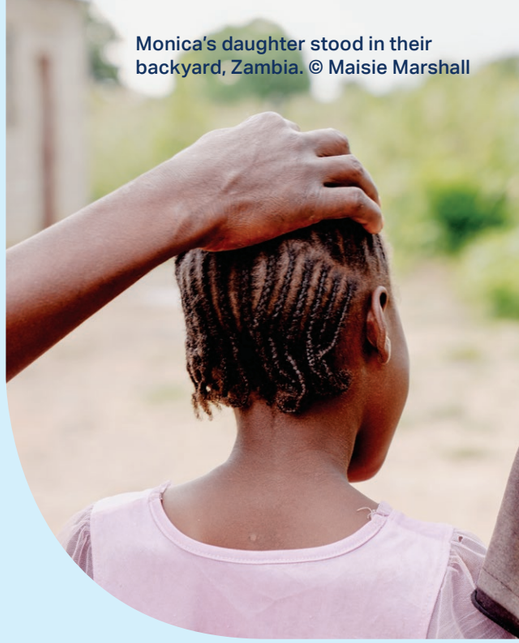
Reuniting children and families

Our SOS Children's Villages provide a safe and loving family-like environment for children who really cannot be looked after by their families, extended families or through other community-based approaches.

Wherever possible, we aim to reintegrate children back into their communities. This can mean reuniting them with their biological parents, but it could also take other forms such as foster care or adoption, kinship care with a sibling or grandparent, or locating small-group homes within community settings.

Whichever route is taken, the focus is on ensuring each individual child's needs are met and their rights are respected. Reintegration is always managed carefully to ensure children remain happy, healthy and supported. We prepare children and young people, their families and the wider community before they are reunited, and support them afterwards for as long as they need us. We also work with the relevant authorities, educators and childcare specialists to make sure every child is cared for.

In Zambia and The Gambia, more than 170 children and young people have been reintegrated back into their communities over the past year, in close collaboration with the local governments of both countries, and in partnership with other community based organisations.



Monica's daughter stood in their backyard, Zambia. © Maisie Marshall

The way home in Zambia

Five years ago, Monica's life turned upside down. She lost her husband after a long illness, and was left alone with five children. She had been completely dependent on his income. Like many families in crisis, Monica turned to SOS Children's Villages Zambia, who were able to care for her three youngest children in their village in Lusaka;

> ***"It was a huge burden lifted off my shoulders. Now they got food three times a day, they went to school, and they visited me during holidays."***

Much has changed since Monica's children moved into the Village. SOS Children's Villages Zambia has been working in close collaboration with the government and local communities, to support children to return to their families. Through this community-focused work, we were able to provide direct support to Monica, meaning her children could return home.

"I was so happy to have them home", Monica recalls. *"They feel safe here. They've adjusted, but they want to stay in touch with their friends and their SOS Children's Villages' mother in the village. They miss them too."*

SOS Children's Villages Zambia are supporting Monica with school uniforms, books and supplies, and she is working alongside her brothers to earn an income from their maize field and taxi business. She's planning for a future with her family by her side.

Mulenga Chigwe is a social worker at SOS Children's Villages Lusaka, and the main contact between children and the families they are returning to:

> ***"Every case is emotional for me. I've followed these children since they were small and pray to God they'll do well. I believe in reintegration and that we're doing the right thing, but I'm still moved."***

A lasting legacy transforms lives in Mozambique

For children growing up in alternative care of any kind, the chance to reunite with their biological families is life-changing.

In Mozambique, an extraordinary legacy gift* opened the door to new beginnings, giving children and young people renewed hope and security.

Across four SOS Children's Villages – Maputo, Beira, Pemba and Tete – the gift supported 16 children to successfully reunite with their biological families, while 11 young people gained the independence and support they needed to begin living on their own.

We were alongside these children, their families and their wider communities through their reintegration processes. Transportation assistance, guidance with guardianship processes, and educational support all helped smooth their transitions, making sure that the children returned to loving, stable environments and that the young people stepped into adulthood with confidence and optimism.

**This gift was received in 2023, and enabled us to support this reintegration throughout 2024.*

Young people showcasing what they have grown, South Africa. © SOS Children's Villages South Africa

Creating safe spaces to thrive

For children who are unable to stay, or reunite, with their families, we support other care options. This includes providing loving and caring family-like environments through SOS Children's Villages communities around the world.

Through the generous support of our donors and sponsors, in 2024 SOS Children's Villages UK was able to continue providing education, nourishing meals, and safe family-like homes for children and young people in 433 different Villages globally.

Renovating houses in South Africa

In South Africa, thanks to our three-year partnership with TCC Foundation, we successfully renovated 30 houses across SOS Children's Villages in Pietermaritzburg, Ggeberha and Cape Town. 2024 focused on renovations in SOS Children's Villages Cape Town, which was officially opened by President Nelson Mandela and Archbishop Desmond Tutu nearly 30 years ago.

The work included replacing old threadbare and unhygienic carpets with tiling in thirty bedrooms, and rebuilding the storm-damaged sewage system and water pipes.

SOS Children's Villages House Mother, Thebeka, explains:

> ***"Having the tiles makes a huge difference. They don't trap dust and bacteria like carpets do…they are easy to clean and maintain. The children and I were so happy, our home now looks stylish and beautiful."***

Women sit together in a circle with their children, sharing food, Madagascar. © Sammy Rabenirainy

Nourishing school meals in Madagascar

In Madagascar, 40% of children under the age of five suffer from stunting due to malnutrition. A school lunch can often be the only substantial meal a child eats each day.

At our SOS Children's Villages school in Antsirabe, thanks to a generous donation, we're now ensuring 166 children in the local community receive a nutritious lunch from the school canteen.

Each Monday morning, 11-year-old Sohary begins her day with enthusiasm. Living several kilometres from her school, she starts early – opening her window for a deep breath of fresh air before making her bed and heading to the kitchen, excited for the school day ahead.

Until recently, Sohary's daily routine was far more exhausting. Though she loves studying and playing with her classmates, the lack of access to lunch at school meant she had to walk home at midday to eat, only to return for afternoon classes. The long commute left her tired, and she often struggled to stay awake in lessons.

Now, Sohary receives a nutritious lunch at the school canteen each day. This simple yet vital support has transformed her school experience. Not only has her energy improved, but her parents also feel reassured knowing she is well-fed and cared for at school.

A young girl laughs at the dinner table, Madagascar. © SOS Children's Villages Madagascar

Youth employability and education

Tackling youth unemployment is essential to breaking cycles of poverty. We provide young people in vulnerable situations with employability training, skills development and mentoring. These essential programmes help them build the confidence and abilities needed for a bright and secure future.

Globally, 289 million young people are not in employment, education or training, with young women twice as likely as young men to be affected. Transitioning to adulthood can be daunting, especially for young people leaving alternative care or struggling in unsupported families. Becoming self-reliant means learning how to cope alone with everyday challenges, entering the world of work and becoming financially independent.

In 2024, SOS Children's Villages UK supported over 4,000 young people through funding youth employability, training and mentoring activities in 14 different countries.

In today's digital age, connectivity, and the ability to use digital tools are increasingly essential for earning a livelihood. As part of SOS Children's Villages' 'Digital Villages' initiative, in 2024 we supported computer 'labs' in Sierra Leone and Pakistan, enabling vulnerable young people and families to acquire technology skills, connect online, and access e-learning.

We also continued our contribution to two global initiatives, SOS Children's Villages' YouthCan! and Futuremakers by Standard Chartered. Around the world, in 2024 in total YouthCan! supported 22,568 young people in 48 countries through skills development, confidence building and creating support networks. It also involved 1,941 corporate and other volunteers.

Assisted over **4,000 young people** through employability training and mentoring activities

Supported **two global initiatives** for youth employability

Young people in a classroom at the Youth and Employability Centre, The Gambia. © Jakob Fuhr

Preparing for the future with Standard Chartered

2024 saw SOS Children's Villages UK finalise its partnership with Standard Chartered, which began in 2021 when the COVID-19 pandemic had pushed many young people further from education, jobs and stable livelihoods.

The partnership has helped prepare young people for the world of work through employment, training, skills and mentoring. More than this, it has built young people's confidence, networks and long-term opportunities. The programme was part of Futuremakers by Standard Chartered, a global initiative to tackle inequality by promoting economic inclusion for disadvantaged young people in markets where the bank operates.

Throughout the three years, together we improved employment-related knowledge for 3,794 young people and up-skilled 4,339 young people across seven countries – South Africa, Sri Lanka, Jordan, Botswana, Mauritius, Côte d'Ivoire and The Philippines. The focus was on supporting young people without, or at risk of losing, parental care and over half of the participants were young women.

Building on our strong bonds with the communities we work with, and through involving experts in disabilities in the design and implementation of this work, 273 young people with disabilities, for whom entering the world of work can be particularly challenging, were supported by the programme.

In 2024, over 1,000 young people took part in the initiative, gaining skills and establishing businesses in such diverse fields as solar installation, nursing, catering and agriculture. Alongside practical vocational courses, young people were also supported with the vital skills needed to run a successful business, such as computer literacy, business planning and budget management, driving courses and cybersecurity.

Employees of Standard Chartered around the world participated in this programme throughout, from painting buildings and constructing vegetable patches, to mentorship, panel discussions, CV support and e-commerce training. For example in 2024, 16 employees in Côte d'Ivoire shared their education, experience and career advice at an event for young female entrepreneurs, and provided individual business support to participants.

> *Every success has its own path, but what truly matters is determination and perseverance. Thanks to this project, I am now a fulfilled woman, earning respect from those around me.*
>
> Amenan, Côte d'Ivoire

Julio holding one of his t-shirts, The Philippines. © Unknown

> *I still feel grateful for being chosen and trusted to be part of it. My message to others is take the opportunity seriously, because, in the end, fortune favours the bold.*
>
> Julio

Julio's journey from student to entrepreneur

Julio, a 20-year-old Computer Science student, is embracing independence and opportunity helped by our partnership with Standard Chartered.

A dedicated and creative student, his passion for photography and design had always been a powerful form of self-expression. But with limited job opportunities in his town of Iloilo, in the Philippines, he found securing work experience challenging. Everything changed when he learnt about the Youth Entrepreneurship Programme from a mentor in his SOS Children's Village.

Eager to turn his talents into a business, Julio joined intensive weekend business sessions hosted by Futuremakers. These sessions provided practical training in essential skills for launching a venture.

With new confidence, Julio invested in T-shirt printing equipment, launched his own print shop, and began managing client orders, all while balancing his studies.

Through the programme, Julio has developed valuable time management skills, helping him juggle the demands of school and business. Running his own venture has also provided a much-needed income, supporting his education, daily needs, and even his hobbies. He now plans to grow his business and pursue entrepreneurship long-term.

Reflecting on his journey, Julio says:

> ***"I still feel grateful for being chosen and trusted to be part of it. My message to others is take the opportunity seriously, because, in the end, fortune favours the bold."***

Young people in a classroom at the Youth and Employability Centre, The Gambia. © Jakob Fuhr

Equipping young leaders

Transforming youth employment in The Gambia

Over the past five years, SOS Children's Villages has been working directly with young people in the remote Upper River Region of The Gambia to prepare them for their transition to financial independence and the world of work. With a shocking 66% youth unemployment rate in the region, the Youth Training and Employability Project (YTEP), provides vital support to young people through education, skills development, mentoring and entrepreneurship opportunities.

Thanks to the generous support of our partners, including PDFoundation and Lines & Current, we were able to establish a vocational skills training centre in Basse. From 2019 until the end of 2024, 587 students completed training to enter employment or start their own business, and 402 young people graduated with a nationally recognised qualification.

Each young person on this course is treated and supported as an individual, with one-to-one counselling and continued support throughout their course. As a result, 75% of graduates are employed after training, and 70% are now financially independent.

YTEP's reputation for internships continues to grow, and in 2024 students secured placements at new organisations including Gambia Tourism and Hospitality Institute and the office of the Governor of Basse.

This year, students from YTEP also proved their own passion for youth empowerment, by taking part in global networks. Five students took part in the YouthCan! Conference, SOS Children's Villages' global youth employability programme, held in The Gambia. YTEP participants were also selected as General Secretary and Assistant Secretary for the prestigious National Youth Network in The Gambia.

In 2024, we continued work to ensure the Centre's long-term sustainability. The Centre now generates income through a restaurant, bakery and external catering services. We are also working to strengthen YTEP's community outreach work, ensuring the most marginalised and vulnerable young people, especially women and girls, can access its services.

Ajie Cham, 24, is now employed in the YTEP restaurant after enrolling on a course:

> *"YTEP is a very good school because I learnt a lot there. Now, I can even open my own restaurant because I learnt everything. It's all because of YTEP. I want to be the best chef in the world! That's my dream."*

Eco Champions: empowering youth for climate action

The children and young people of today will be those most impacted by our rapidly changing climate, but they also have the ideas and solutions to respond and adapt to the threats to our natural environment.

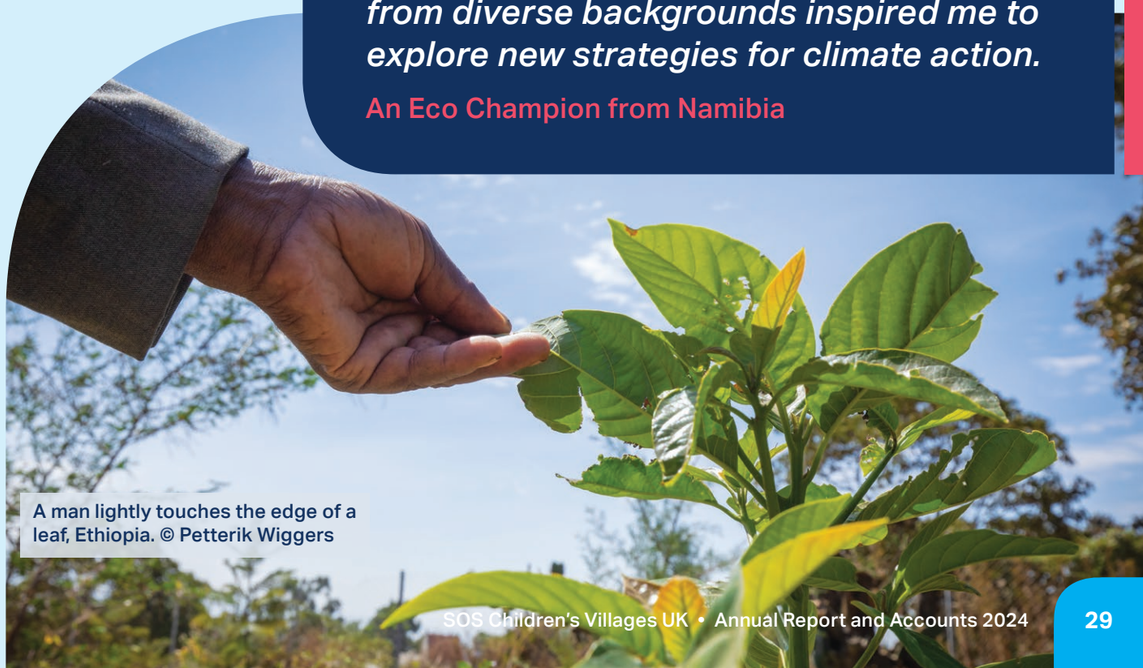
In 2024, with generous support from Baringa, we began helping 100 climate activists to participate in SOS Children's Villages global Eco Champions programme. This is a groundbreaking new initiative aimed at equipping young people, and especially women and girls, from vulnerable communities with the skills and resources to lead climate action.

In November, young climate activists from Jordan, Namibia, Nigeria, Somalia, Sierra Leone, and Uganda came together for the inaugural Eco Champions Summit in Nairobi. The summit aimed to develop participants' confidence, build links between climate experts and other young activists, and help them develop their ideas and skills for climate action.

Tailored workshops provided hands-on training in leadership, project management, and climate advocacy. Each participant also pitched their own innovative ideas for climate action, which ranged from renewable energy solutions and sustainable farming practices to creative waste management.

As these young leaders return to their communities, they carry the knowledge, connections, and determination to drive meaningful change.

> *"Engaging with passionate individuals from diverse backgrounds inspired me to explore new strategies for climate action.*
>
> An Eco Champion from Namibia



A man lightly touches the edge of a leaf, Ethiopia. © Petterik Wiggers

Protecting children in emergencies

With nearly 300 million people around the world in need of humanitarian assistance and protection, SOS Children's Villages continues to keep children safe during crises – especially those without parental care.

2024 has been widely described as the worst year on record for children in conflict. One in six children are now living in areas affected by conflict, and many others face the effects of natural and climate disasters, or multiple overlapping crises. This makes them more likely to be out of school, malnourished or displaced from their homes and separated from their families.

As well as providing for immediate needs during emergencies, such as food, we provide care for children who have lost the security of their parents, work to prevent family separation and reunite separated families, and support families and communities to recover and become more resilient. Crucially, we also address mental health needs through counselling and specific trauma support to help children and young people to cope with the immediate situation, and rebuild for a healthy future.

SOS Children's Villages is able to respond before, during and after emergencies thanks to its long-term global and local presence in over 130 countries. In 2024, SOS Children's Villages globally implemented 101 humanitarian projects, directly supporting 2,268,623 people. SOS Children's Villages UK contributed £330,000 to these global crisis programmes.

From the UK, we continued to support children and families impacted by the war in Ukraine, as well as scaling up our response for children and families coping with the volatile and devastating conflict in the Middle East. We provided urgent lifesaving assistance in South Sudan, where a complex crisis of violence, displacement and flooding has been compounded by the arrival of one million refugees from Sudan. In Haiti, we put in place accessible mental health support for young adults and caregivers living with trauma.

Contributed to humanitarian efforts across four continents

Secured support for 68 children evacuated from Gaza to Bethlehem

People flee gang violence in the Petion-ville neighbourhood of Port-au-Prince, Haiti.© Richard Pierrin/AFP

Young children play games together as part of a mental health session, Gaza.
© SOS Children's Villages Palestine

A safe space for children in conflict

In 2024, SOS Children's Villages UK contributed to emergency response efforts in the Middle East, to support children affected by the ongoing conflict. This included in Gaza and the West Bank, where by October 2024, over 13,000 children had been killed according to unconfirmed data from Gaza's Ministry of Health. UNICEF reports a further one million children remain in urgent need of mental health support.

With cash and vouchers, SOS Children's Villages' global humanitarian programme enabled 15,000 people to buy urgent food, water, medicine and clothing. Emergency mental health and psychosocial support was extended to 13,000 people facing trauma. Crucially, nearly 800 children have been able to continue their education in safe and supportive environments and alternative care has been found for 90 children newly separated from their families.

In 2024, SOS Children's Villages enabled **15,000 people** to buy food, water, medicine and clothing. **13,000 people** received emergency mental health support and **800 children** were able to continue their education.

In the SOS Children's Village in Bethlehem, thanks to a generous charitable grant from Choose Love, SOS Children's Villages UK supported 67 children with nutritious meals, essential medical care and pocket money.

SOS Children's Villages staff in Gaza preparing aid packages, Gaza.
© SOS Children's Villages Palestine

Caring for evacuated children

With Gaza under bombardment 68 children, and those caring for them, were evacuated from the SOS Children's Village Rafah in Gaza to Bethlehem in the West Bank. Their evacuation was negotiated through the authorities and diplomatic channels as a temporary measure to ensure their safety, and they were among very few residents who were able to leave during the war. Their right to return to Gaza was guaranteed, and consent was required from the legal guardians of all children who were evacuated.

The children were accompanied by their carers on the three-day bus journey through Egypt and Israel to their new temporary home at the SOS Children's Village in Bethlehem.

"The successful evacuation gives a glimmer of hope. At the same time, our concern remains with all the children who are still in danger in Gaza" says Angela Maria Rosales, Chief Programme Officer at SOS Children's Villages International.

For the first five months of 2024, the SOS Children's Village in Rafah remained an important humanitarian location, providing life-saving measures to children and families in need, including those who were not able to be evacuated. However, as the fighting intensified, all those living in the Rafah Village were urgently relocated to tented encampments where they remain.

In November 2024 SOS Children's Villages UK received generous funding from the Saïd Foundation which will be used throughout 2025 to provide children evacuated from Rafah with family-like care; including safe housing, trauma-informed psychosocial support, access to education and essential health and wellbeing services.

When conflict spilled into Lebanon, the SOS Children's Villages' emergency response expanded to provide support and safety for children and families under our care there. In addition, we provided cash for urgent essential items, clothes, safe spaces for children, and psychological support for hundreds of children and their caregivers displaced from their homes and living in three shelters. Through our Emergencies Fund, with the help of our kind donors, SOS Children's Villages UK contributed directly to these humanitarian efforts.

Reuniting separated families in Gaza

Siblings, Ahmed, 12, and Aisha, 10 were forcibly displaced from their home in Gaza and became separated from their mother. They found safety, education, emotional support and care at the SOS Children's Village shelter in Rafah, but despite this were constantly worried about their mother's wellbeing. Through persistent efforts and collaboration with local authorities and partners, the SOS Children's Villages team eventually located their mother, Fatima, who was in a profound state of despair and struggling to survive. The children were overjoyed at their reunion. The team were able to secure a safe place for the family in a designated shelter camp equipped with water, food and other essential resources, for them to rebuild their lives as a family.

Supporting mental health in emergencies

The trauma of emergencies has a long-lasting impact on children. We prioritise mental health and psychosocial support, especially during emergencies, to help children and communities improve emotional resilience and coping mechanisms, and deal with loss, stress and trauma. This support also helps healing and recovery in the longer-term by strengthening relationships and social support networks.

Expanding access to mental health support in Haiti

In Haiti, an acute shortage of mental health professionals and facilities exacerbates the trauma of the 11 million people grappling with the effects of insecurity, violence and natural disasters. Children and young people are especially vulnerable to psychological distress and mental health problems such as depression and anxiety.

"When you see kids living in that situation... kids seeing their parents or their neighbour being killed in front of them, people being burned in front of them. You know that in the future those kids will have big mental health problems," reflected Faimy Carmelle Loiseau, the National Director of SOS Children's Villages Haiti.

Many caregivers are also experiencing high levels of trauma. This can directly impact their ability to look after the children in their care, which is why supporting the mental health of those caring for children is a priority for SOS Children's Villages.

In 2024, thanks to a generous charitable grant from Elrha, we delivered an innovative programme to help communities experiencing trauma. The initiative used a low-cost, scalable mental health approach (Problem Management Plus (PM+)) that empowers local communities to manage conditions like anxiety and depression, to achieve greater resilience in the future. By training health and care workers in how to help people experiencing trauma, and then pass this knowledge onto others, this approach is able to reach far more people – easing the burden on Haiti's overwhelmed healthcare system.

Due to increased insecurity in Haiti during 2024, which made planned travel impossible, we delivered training using the PM+ method online to 11 SOS Children's Villages staff – the first time that this has been done. The trained 'helpers' are now supporting families in vulnerable situations to address trauma and cope with mental health challenges. Faimy reflects on the impact *"The PM+ training has improved our ability to help young adults and caregivers ... by equipping us with practical tools to manage stress and adversity."*

> ***"I have never expressed my emotions to loved ones before, it has helped me to feel better.***
>
> PM+ training recipient

Those being supported have shared their perspectives: *"If I had found this intervention earlier, my personal life and the way I have treated my daughter would be very different."* Another stated: *"I have never expressed my emotions to loved ones before, it has helped me to feel better."*

We also raised awareness of this approach and the value of mental health support to others in Haiti, including through workshops attended by 120 people from 25 different organisations. This created a foundation for SOS Children's Villages Haiti to scale up accessible and impactful mental health services in the future.

Introducing PM+ to Haiti *was funded and supported by Elrha's Humanitarian Innovation Fund (HIF) programme, a grant making facility which improves outcomes for people affected by humanitarian crises by identifying, nurturing and sharing more effective, innovative and scalable solutions. Elrha's HIF programme is funded by the UK Foreign, Commonwealth and Development Office (FCDO).*

The transformational power of a safe space in Ukraine

Vitalii works at Camp Lighthouse, in Ukraine, providing outdoor activities for children from conflict zones. His own holiday camp experience, and the support he received as a child affected by trauma, inspired him to offer the same hope and healing to the next generation:

> ***"My family lived near the frontline in 2014. I was 15. After a while, I got the chance to attend a holiday camp much like this one."***

Camp Lighthouse is a safe haven for children impacted by the trauma of war, offering a respite from the daily hardships of conflict. Established by SOS Children's Villages Ukraine, the camp provides children with the chance to escape the sounds of air-raid sirens and shelling, offering two-week stays in a quiet, rustic setting. Activities like dancing, art workshops, and psychological support help children release stress and trauma, with a structured daily routine that encourages creativity, socialising, and personal growth.

At Camp Lighthouse, Vitalii organises outdoor activities, including movement workshops and hiking. *"I try to give children experiences they've never had. We built a dinghy out of wooden pallets, took it across the lake, and camped overnight."*

Vitalii understands the trauma many children face. *"Their stories are close to me because they are my stories too. I know what it's like to hear shelling as a child."*

One moment stands out for him: *"During a campfire, a teen from Kherson said, 'I can't believe I'm looking at the stars, with no shelling, no need to hide the light. I feel so different."*

Eurythmy workshop, designed and led by camp counsellor Vitalii, Ukraine. © Katerina Ilievska

Advocacy **and research**

The rights of children and young people are enshrined in international and national conventions, policies and frameworks. Despite this, in practice they are often not protected. Children without parental care are even more likely not to have their rights met. SOS Children's Villages stands up for the rights of children and young people, and provides a platform for them to speak up for themselves.

We take action to amplify the voices of children and young people without or at risk of losing parental care, and bring these voices to the forefront of national and international policy and decision-making. We join forces with other organisations, and work with states and partners, to ensure that children's rights are respected, calling for changes to policies and sharing expertise and evidence to improve practice and approaches.

Throughout 2024, in the UK we began building relationships and engaging in spaces to deliver more global impact through advocacy and research activities. We connected with peers to call for a ceasefire in the Middle East and to advocate on behalf of children impacted by the conflict.

In November, we supported Colombian colleagues to deliver a satellite event at the Global Ministerial Conference on Ending Violence Against Children in Bogota, and worked with other international non-governmental organisations to influence UK Government pledges around the conference. We participated in an advisory group chaired by the Sexual Violence Research Initiative (SVRI), and also attended their Global Forum in South Africa.

As part of an SOS Children's Villages' delegation participating in the International Society for the Prevention of Child Abuse and Neglect (ISPCAN) conference in Stockholm in August, we supported the presentation of findings from the SOS Children's Villages' report Children's Care and Protection: Understanding and preventing the separation of children from their families

In 2024, we began developing a new initiative, in partnership with SOS-Kinderdörfer Weltweit, which will connect research, programmes and advocacy in the Federation and beyond. We started building partnerships with other organisations working in the sector, including Childlight – the Global Child Safety Institute housed at the University of Edinburgh, other research institutes, universities, NGO partners and networks. As part of this initiative, we will use insights from SOS Children's Villages and other organisations to define best practices in child protection across diverse contexts. This will strengthen our global programmes, support sector-wide improvement, and enhance our advocacy for children's rights by empowering children and their communities.

Two young people speak at a UN side event in July 2024, New York. © ApertureAlley Production

Families and children dressed up in their Halloween outfits, Peru. © Chilie Hviid Orloff Pillipsen

Our organisation **and people**

Strengthening systems and processes

Throughout 2024, SOS Children's Villages UK continued to invest in and improve our systems and processes. In particular, we strengthened our cyber security by migrating all computer management to the cloud, thus enabling better all round security. We also removed our in-house server.

We have continued embedding a new marketing platform as part of our Salesforce CRM system, and continued investment in our financial software. Additionally, our upgraded phone system has enabled better management and supporter care. Launching a new website towards the end of the year means we are now able to provide better quality information about the work that we do, strengthening the way in which we communicate with our supporters.

Thanks to some valuable pro bono consultancy support from our corporate partners Baringa and Pinsent Masons, we led the development of an Environmental Sustainability and Climate Action Strategy for SOS Children's Villages globally. With additional pro bono support from Baringa, we began work to strengthen our approach to identifying and mitigating risks. In addition, we started reviewing our policies and processes to strengthen the way in which we measure progress and ensure even greater accountability.

Protecting children

High standards of safeguarding are fundamental to SOS Children's Villages in protecting children and their rights, and in ensuring everyone involved in our work is safe. We continued to make significant improvements both across the Federation, and in the UK, to ensure the safety of all those who come into contact with SOS Children's Villages, and in particular the children, young people and families we work with. SOS Children's Villages UK ensured that all staff, trustees, freelancers and volunteers were trained on safeguarding, as part of our ongoing, regular training and development policies.

SOS Children's Villages International continued to report on the progress the Federation is making against its Safeguarding Action Plan, through its progress reports which are available on our website. SOS Children's Villages International also launched the Global Safeguarding Strategy 2024-2030, which emphasises awareness and prevention and increased accountability across the federation.

Safeguarding personnel: SOS Children's Villages UK made good headway with the appointment of our first Safeguarding, Compliance and Governance Manager. This role has significantly strengthened our safeguarding capacity and processes, ensuring we have greater oversight of safeguarding in the programmes funded by UK donors, whilst also strengthening our own safeguarding processes, systems and culture.

Partnerships: By strengthening our approach to risk and developing closer relationships with our SOS Children's Villages programme implementing partners, we also helped to build greater capacity in safeguarding. An example of this is in-person training for the SOS Children's Villages Zambia teams in two locations, as well as visits to project locations and families to see the effect of safeguarding systems and processes in person. Similarly, SOS Children's Villages UK worked closely with SOS Children's Villages Palestine to strengthen its approach to safeguarding in the context of an extremely volatile situation which has resulted in severely traumatised children and staff.

Wider safeguarding engagement: In addition to the Safeguarding Committee of the SOS Children's Villages UK Board of Trustees, which provides broader safeguarding guidance, reviews programme oversight responsibilities, and oversees donor and Charity Commission reporting, SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America Child Safeguarding and Integrity Network to share learning and best practice. Our Safeguarding, Compliance and Governance Manager has been positively engaging with the wider federation to help continually improve safeguarding practices and processes.

We receive and monitor regular incident reports from SOS Children's Villages International, and particularly those that relate to the programmes our donors support. Additionally, SOS Children's Villages UK engaged in national and global safeguarding conferences and movements which advocate and lobby the UK government, as well as increase the visibility of our work to protect children and young people and uphold their rights.

Serious incident reports to the Charity Commission

In 2024, no serious incident reports relating to SOS Children's Villages UK employees or volunteers were reported. We continued to provide updates to the Charity Commission about an incident involving SOS Children's Villages Russia (a member which is now suspended from the SOS Children's Villages Federation), caring for 13 Ukrainian children who had become separated from their caregivers.

Supporting our staff

In 2024, we employed an average of 29 people throughout the year. SOS Children's Villages UK is committed to demonstrating support for all our employees and volunteers, valuing each individual's contribution regardless of age, gender identity, sexual orientation, marital status, civil partnership status, disability, nationality, race, religion or belief. We are committed to providing equal opportunities for all employees and volunteers.

We continued to support flexible working and began a thorough review of our remuneration approach to ensure fair pay and strengthen our ability to attract and retain talent. We continue to provide many additional benefits, including extra leave days during the office closure between Christmas and New Year; an Employee Assistance Programme; life assurance cover; travel loan; cycle to work scheme; enhanced sick and maternity pay; volunteer days, federation exchange programme, and a sabbatical leave policy. Information about our aims, activities and other relevant information was disseminated to all staff and volunteers through briefings, meetings and written documents. Collaboration and mutual respect are central to our ethos, and we strive to create an environment where every member of staff feels heard and supported. Many of our colleagues work remotely and flexibly, but through online and in-person formal and informal gatherings, we foster an empowering and positive team culture where all colleagues contribute fully to making an impact on the lives of the children and young people we support.

Looking **ahead**

2025 is the start of a new five-year strategy and plan for SOS Children's Villages UK.

As part of our new strategy we acknowledge the complex and volatile global factors impacting our work to keep children safe and help them to thrive. This has fuelled our ambition to scale our work further. We will respond to these challenges and opportunities, including placing greater emphasis on responding during times of emergency and being agile, to ensure we do whatever we can to protect children and their rights.

With a new programme strategy in place, and by developing advocacy and research capacity to extend our impact further, we will take a sustainable and holistic approach to supporting families and wider communities. Working in partnership with our SOS Children's Villages' colleagues and external partners – including governments, non-governmental organisations and community-based organisations – we will strive to address child poverty and vulnerability at individual, family and community levels ensuring children grow up in a safe and nurturing environment.

In alignment with SOS Children's Villages Federation Strategy 2030, our new strategy will guide us towards achieving objectives in five key areas:

1. Locally-led and sustainable change

Building locally-led programmes that deliver demonstrable positive change for children and young people who have lost, or who are at risk of losing, parental care, protecting their rights and ensuring every child belongs to a family and grows with love, respect and security.

2. Evidence through programmes

Creating locally-led programmes that deliver learning and evidence for improvement and innovation in the SOS Children's Villages Federation and more widely, to strengthen outcomes for more children in the future.

3. Data and research

Identifying, collating and disseminating SOS Children's Villages' data and learning to inform improvements to child protection systems and monitoring.

4. Humanitarian response

Responding to urgent humanitarian crises affecting children and young people, where local SOS Children's Villages' partners are well-positioned to prevent family separation, protect children who have lost family support, and provide safety and security.

5. Advocacy

Ensuring children and young people who have lost, or who are at risk of losing, parental care are better protected and have the care and love of a family, through greater representation in UK foreign policy and improved application of lessons and best practice in child protection systems.

Two children laugh and clap their hands while sitting on the floor, Sudan. © Ali Abdallah Al

Thank you to our supporters

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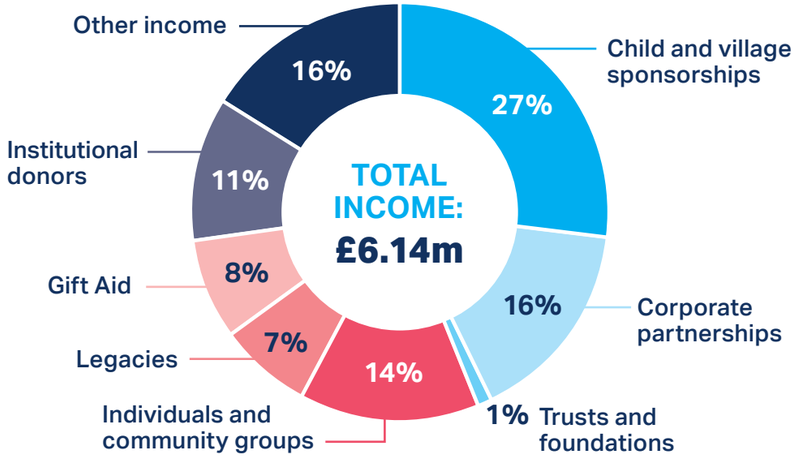
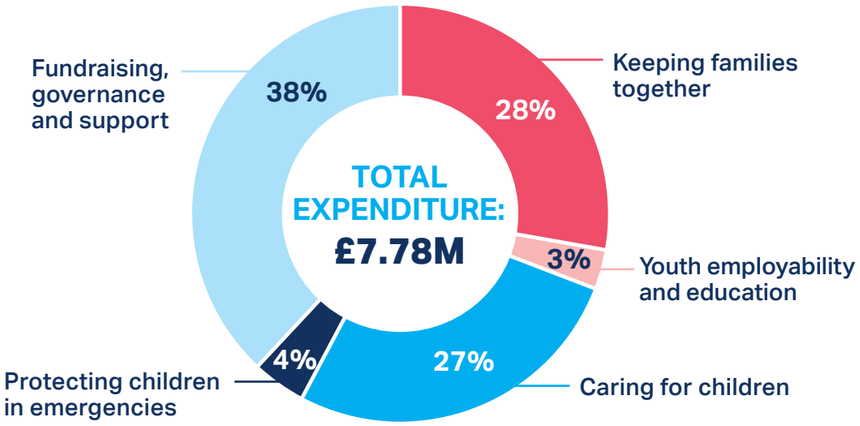
- Wahid family
- Mr Norman Yearsley

We would not be able to continue our life-changing work without the kindness and commitment of our supporters and partners. 2024 was another challenging year for so many people, and yet our supporters, as always, inspired us with their dedication and generosity.

We would also like to say a huge thank you to those who gave their time and energy to fundraise for us, or raise awareness of our work. We thank all of you, including those who did not want to be named here or gave anonymously, those who raised money in memory of loved ones, and those who took part in gruelling physical challenges, we truly appreciate your efforts. Every donation we receive helps us to ensure that children and their families around the world grow up with the love, care and support they need to thrive. **Thank you.**

Financial review





Our income and expenditure in 2024 reflects our ongoing focus on developing sustainable, community-based programmes to support children, young people and families.

This year, we laid the groundwork for embarking on our new strategy in 2025. We invested in internal compliance and safeguarding, meaning we can respond to the complex programme environments we are increasingly facing, ensure transparent reporting to donors, and work with our programme partners to better protect children, young people and families.

We also strengthened our governance and fundraising, to have greater impact for children over the long-term. This investment will support our ambition over the next five years to grow our flexible income, better withstand political and environmental shocks, and sustainably commit 80% of our annual income to our charitable activities by 2030.

**Support and governance costs of £1,013,915 including exchange loss of £60,173 have been apportioned across charitable activities and raising funds.*

Income

Total income in 2024 of £6.14m was £0.72m /13% higher than 2023's income of £5.42m.

Income for 2024 was in line with, but slightly below, budget expectations. This was largely due to lower legacy income being received in 2024 than expected, and due to a corporate partner not renewing their funding with us in 2024 as their strategic focus had shifted to another area in need of funding. We were able to meet expectations in our other income streams in 2024 through the consistent generosity and loyalty of our supporters, by forming new partnerships with donors, corporates, trusts and foundations, and through further strengthening our fundraising operation to secure income through programme funding opportunities.

As of 31 December 2024, the legacy pipeline held an estimated value of £0.5m. These are legacy gifts we have been notified of but which do not meet our recognition criteria for income in 2024.

Expenditure

Expenditure in 2024 at £7.78m was £0.58m /7% lower than 2023 spend of £8.35m.

This is due to greater expenditure in 2023 that related to a large one-off legacy donation received and recognised as income in 2022. Expenditure was further impacted in 2024 by a corporate partner not renewing their funding with us.

Further breakdown of our expenditure is shown in notes 5-7 on pages 64-67.

Fundraising activities

In 2024 we continued to scale up our fundraising investment to enable the Charity's future income and impact to grow, with a particular focus on unrestricted funds as well as raising our UK brand profile to reach new audiences. To support our shift towards holistic, community-based programmes and away from sponsorships, we invested in new areas of fundraising, and expanded other areas, including face-to-face fundraising from individuals. We also continued to form impactful relationships with corporate partners, grant making organisations and philanthropists, helping to strengthen communities and empower young people.

Charitable activities

The amount we spent on our charitable activities decreased in 2024. In 2024, we spent £4.89m (excluding exchange movement), a decrease of 1.43m/23% on our 2023 spend on charitable activities. This is due to drawing down fewer reserves received in prior years (one-off legacy donation received in 2022) in 2024 than we did in 2023.

Despite this, we have been able to support more children globally, providing quality, alternative care, including in The Gambia and Zambia. Equally we continued to increase our focus on the prevention of situations in which children are at risk of losing parental care through family strengthening programmes that offer long-term, sustainable solutions, increasing our expenditure in this area by 0.29m/16% in 2024 over 2023.

Through our youth education, empowerment and employability programmes, we prepared young people to live independent lives and develop the skills to enable them to sustain their own livelihoods and families in the future. Spending in this area decreased substantially in 2024 by 1.12m/81% over 2023 due to a multi-year corporate partnership coming to an end during 2024, and due to the previously mentioned drawing down of fewer reserves received in prior years (one-off legacy donation received in 2022) in 2024 than we did in 2023. Spending in this area allowed us to extend our support to the youth training and employability programme in The Gambia by a further year to allow the programme more time to work towards achieving financial sustainability.

We were also able to respond to global crises, including through our Emergencies Fund, with funds being made available to aid humanitarian efforts in response to the conflict in the Middle East, and support work in Haiti, Ukraine and South Sudan in 2024.

A mother and her daughter laughing, The Gambia. © Jakob Fuhr

Reserves

The 31 December 2024 unrestricted reserves position is £1.4m which is classified as follows:

Designated Funds – As of 31 December 2024 the Charity had one designated fund which was created, at the discretion of the Trustees, to protect against any potential foreign exchange losses. It continues to be maintained at 2023 levels and the fund balance was £206k.

General Funds – The Board of Trustees requires the Charity to maintain readily accessible assets sufficient to fund between 6 and 9 months of running costs. In 2024 this equated to £1.21m – £1.82m, and as at 31 December 2024, the net operational reserves were £1.18m which provided 7 months cover of running costs.

Included in the above is £0.45m to ensure we can fulfil our obligations to safeguard two specific programmes, in Zambia, and The Gambia, protecting the future of the children and families in those programmes.

Investments

Investments are overseen by the Finance and Audit Committee. Professional Fund managers have been appointed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

As at 31 December 2024, the value of our investment portfolio was £1.39m, an increase of £0.11m/6% over 2023.

How we raise money

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this, we work in close partnership to build transparent relationships with our donors, and with the SOS Children's Villages programme teams, aiming for accountability in all that we do.

Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018, as well as the Code of Fundraising Practice.

In 2024, we continued to ensure open dialogue and clear lines of communication with our donors. This included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators.

As we work with children and families in very disadvantaged areas, including in wars, disaster zones and crises, the work of SOS Children's Villages is complex and challenging and our reporting reflects this.

We work with fundraising agencies to promote our cause and raise funds for our vital work. In 2024 we worked closely with our agencies to review and strengthen our training and monitoring processes, and to ensure high quality and effective fundraising.

Throughout 2024 we continued to engage in public-facing fundraising activities, such as Face-to-Face, Door-to-Door, and private site fundraising. These activities helped us increase our supporter numbers significantly.

As part of our strategy, we continued to develop a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of an increasingly unpredictable fundraising environment due to the ongoing cost-of-living crisis and global developments, including the continuing wars in Ukraine and Gaza.

Many of our individual supporters carry out fundraising events to raise money for SOS Children's Villages. To support them in their fundraising activities we provide them with an agreement showing how they should promote their activity; guidance on how to fundraise effectively and without undue pressure; information on how the funds raised will be spent; and we ensure they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. We give them a named contact at SOS Children's Villages UK to support them and answer any questions.

We monitor and review activities undertaken in support of SOS Children's Villages UK through supporter feedback, tracking online activity, prompt follow-up after fundraising activities have taken place and ongoing dialogue.

Our staff, and all those working on behalf of SOS Children's Villages, receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate supporters who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person's privacy or is unreasonably persistent in their actions, so as to protect vulnerable people, as reflected in our written agreements with our partners.

SOS Children's Villages UK is not aware of any complaints raised regarding any employee fundraising activities. Our Board of Trustees approved a new Ethical Partnerships Policy in June 2023, which sets out the criteria for determining whether we can accept donations. This is reviewed on an annual basis to ensure it is kept up to date. Further information including a link to the Ethical Partnerships Policy can be found on our website: www.soschildrensvillages.org.uk/ethical-partnerships-policy/

We received 247 complaints about our fundraising activities in 2024, showing an increase of 38 compared to 2023. All complaints were resolved to the satisfaction of the individuals raising the issues.

We learn from all complaints we receive and monitor these on an ongoing basis to ensure we continually improve areas in need of addressing.

Corporate commercial participators include:

Lines & Current donates 10% of profits to SOS Children's Villages UK every year, donated quarterly. DeMellier donates £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually.

All partnerships are formalised through a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children's Villages UK is not aware of any complaints raised regarding any of these activities undertaken by our corporate partners. All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice.

We are immensely grateful to all our donors, who make the work of SOS Children's Villages possible.

If you have any questions about any aspect of our fundraising, please don't hesitate to get in touch with Susanne Owers, Director of Development, at susanne.owers@sosuk.org

Risk management and internal controls

The risks the Charity faces are formally reviewed twice a year by Trustees and regularly by the Senior Management Team. Any new risks that are identified are assessed in terms of the likelihood of their occurrence and their potential impact, to rank all risks. Significant risks are highlighted for consideration and monitoring by the Finance and Audit Committee and reported to the Board of Trustees twice a year through our risk register. The Senior Management Team takes the lead in terms of day-to-day management of these and other operational risks and reports on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

The Charity operates a comprehensive annual planning and budgeting process, which is scrutinised by our Board of Trustees and requires their approval. Performance is monitored by financial targets and other key performance indicators. Reports are made to the Trustees which compare actual results against the phased budget, and which link financial and other performance with resource and activity levels.

As part of their audit of the financial statements, the Charity's Auditors review our internal controls. SOS Children's Villages UK does not have dedicated internal auditors, although an internal audit function exists at the International Office. At our request, an internal audit of SOS Children's Villages UK was undertaken in 2024, reviewing our internal processes and controls against Federation and UK specific standards. No significant issues were identified and they were content with the levels of control and assurance in place.

Thanks to pro bono support from Baringa, in 2024 we began work to strengthen our approach to identifying and mitigating risks.

Three boys talk and laugh outside their house, Uganda.
© Agnete Schlichtkrull

Below is a list of five major risks we have identified and the mitigating strategies in place:

Risk	Mitigation strategy
Economic downturn due to continued uncertainty and volatility in the UK and global economies as well as government-based decisions around ODA funding with potential to negatively impact Charity's finances	• Regular review of management accounts and fundraising pipeline • Regular production of updated forecasts and cashflow forecasts allowing discussion of any actions needed • Attendance at Charity Commission and network briefings • Investment in donor retention through donor journeys (Marketing Cloud)
Child or vulnerable person safeguarding incident	• Child and Vulnerable People Safeguarding Policy in place and implemented, alignment with new international standard • Safeguarding Committee meeting regularly • Staff and Trustee training • New staff induction • Legal advice taken on Charity Commission serious incident reporting guidance • Safeguarding responsibilities included in partner Memorandum of Understandings • New Safeguarding and Compliance Manager taken up post in January 2024
Reputational risk arising from the adverse actions or omissions of other SOS Member Associations or the General Secretariat	• Maintain close working relationship with General Secretariat Communications Team • Contribute to Secretariat Crisis Communications Planning • Establish and maintain good working relationships with key media outlets • Develop staff understanding of SOS Children's Villages' work, strengths and challenges • Crisis Communications process rolled out to staff • Oversight controls in place for third parties and subcontractors which are reviewed regularly
Short term changes to programming and priorities within the Federation and the General Secretariat impacting on fundraising opportunities	• Establish and maintain good working bi-lateral relationships with the International Regions, as well as National Directors and Project Managers • Contribute to Federation discussions on programming and priorities • Keep donors informed • Active contribution to National Association strategy planning processes
Failure to meet income targets impacting the long-term financial sustainability of the Charity	• Monthly management account reporting to SMT to identify challenges and take mitigating actions • Quarterly reporting to the Board of Trustees • Fundraising strategy to spread risk and return across donor segments • Minimum Reserves levels set by Board

Structure, governance and management

Charitable Objects

The objects of the Charity are set out in the Articles of Association, which were revised and agreed by the Board of Trustees in December 2017. In summary, these are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by the establishment and maintenance throughout the world of SOS Children's Villages and the education of children and young persons from SOS Children's Villages.

SOS Children's Villages Federation

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. We support a variety of programmes helping children, young people and families in different countries around the world, and we have a long-standing commitment to The Gambia and Zambia in particular, where we support a range of programme activities.

Board of Trustees

SOS Children's Villages UK is governed by a Board of Trustees, which in 2024 consisted of 10 members, who are legally responsible for directing the affairs of the Charity and are also the directors of the company for the purposes of the Companies Act 2006. Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. They are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees.

Policies and procedures for the induction and training of trustees

The Trustee induction and training programme is comprised of a variety of activities spread over a period of time, including:

- meetings and introductions to other trustees, employees and beneficiaries
- invitations to events, meetings and presentations
- a trustee induction pack
- access to relevant training, including through National Council for Voluntary Organisations (NCVO).

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board delegates day-to-day management of the Charity through the Chief Executive to the Senior Management Team, while delegating specific responsibilities to the Board's sub-committees:

- **The Finance and Audit Committee** meets at least four times a year to review the Charity's annual financial statements; internal financial control and risk management systems; and external and internal audit matters.

A mother and her daughter look at drawings, Bolivia. © Monica Garcia Zea /Mijhail Calle

- **The Human Resources Committee** meets at least twice a year to oversee the Charity's people management policies, remuneration, and best practice implementation.
- **The Safeguarding Committee** meets at least twice a year to oversee the Charity's safeguarding, duty of care, and review outcomes and reporting.

The Trustees do not receive any remuneration for their services. Trustees may claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties. The members of the company comprise all of the Trustees. The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code.

Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role. Remuneration for the Senior Management Team is set by the Chief Executive Officer, in accordance with the Pay Policy agreed by the Board of Trustees.

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2024. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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 2019).

Public Benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102. The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

SOS Children's Villages UK fulfils the public benefit by the relief of poverty, and improvement of poor education and health outcomes for children and their families. Details about the specific programmes pursued can be found throughout this report.

PRESIDENT

Dame Mary Richardson DBE

BOARD OF TRUSTEES

Chair: Harpinder Collacott

Vice-Chair/Treasurer: Suli Hampson

Other board members:

Adelise Baha

Ian Briggs

Janet Reilly

Jon Steinback

Kim Bowden

Louise McDonald

Solava Ibrahim

Graham Budd
(term ended 31st October 2024)

COMPANY SECRETARY

Alison Wallace, Chief Executive Officer

SENIOR MANAGEMENT TEAM

Alison Wallace
Chief Executive Officer

Andrew Grieve
Director of Finance and IT

Craig Mullaly
Director of Individual Giving

Sarah Bradford
Director of Communications and Brand

Susanne Owers
Director of Development

DISCLOSURE OF INFORMATION TO AUDITORS

As 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.

ORGANISATIONAL DETAILS

Registered office:

Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent Auditors:

Sayer Vincent LLP
110 Golden Lane
London
EC1Y 0TG

Principal Bankers:

Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:

Mishcon de Reya (formerly Taylor Vinters)
Four Station Square
Cambridge
CB1 2GE

Company Registered No. 03346676,
Charity Registered in England and Wales,
No. 1069204

Trustees' Responsibilities

Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Charity. In preparing the financial statements, the Board of Trustees is 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 assume that the Charity will continue its activities
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These must be sufficient to show and explain the Charity's transactions. They should disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that its financial statements comply with the Companies Act 2006. The Trustees have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity, and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 03 July 2025.
Signed on its behalf on 03 July 2025.

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Independent Auditor's Report

To the members of SOS Children's Villages UK

Opinion

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 Charity's affairs as at 31 December 2024, and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' 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 SOS Children's Villages UK'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Girls dancing in a group, Uganda.
© Kakiri Agnete Schlichtkrul

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 course of 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 the audit:

- The information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

A father holding his daughter outside their house, Guwahati, India.
© Lydia Mantler

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Noelia Serrano
Senior statutory auditor

15 July 2025

for and on behalf of Sayer Vincent LLP,
Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Financial Statements

Statement of Financial Activities

(including Income and Expenditure account)
For the year ended 31 December 2024

	Note	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME					
Donations and legacies	2	2,540,509	3,260,139	5,800,648	5,203,829
Investments	4	-	92,296	92,296	80,308
Foreign Currency Gain	3	-	245,800	245,800	137,237
TOTAL INCOME		**2,540,509**	**3,598,235**	**6,138,744**	**5,421,374**
EXPENDITURE					
Raising funds and support costs	5	-	2,887,295	2,887,295	2,037,810
Charitable activities	5	3,599,297	1,285,790	4,885,087	6,310,428
TOTAL EXPENDITURE		**3,599,297**	**4,173,085**	**7,772,382**	**8,348,238**
Net gains/ (losses) on investments	11	-	112,931	112,931	50,522
NET EXPENDITURE IN THE YEAR AND NET MOVEMENT IN FUNDS		**(1,058,788)**	**(461,919)**	**(1,520,707)**	**(2,876,342)**
Reconciliation of funds: Total funds at 1 January 2024	**14**	**2,059,555**	**1,900,040**	**3,959,595**	**6,835,937**
TOTAL FUNDS AT 31 DECEMBER 2024	**14**	**1,000,767**	**1,438,123**	**2,438,889**	**3,959,595**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The notes on pages 59 to 74 form part of these financial statements.

Balance Sheet

as at 31 December 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible Assets	10	235,031	258,102
Tangible Assets	10	19,862	21,271
Investments and long term deposits	11	1,391,751	1,278,820
TOTAL FIXED ASSETS		**1,646,644**	**1,558,193**
CURRENT ASSETS			
Debtors	12	386,379	572,992
Cash at bank and in hand		2,036,468	3,182,313
TOTAL CURRENT ASSETS		**2,422,847**	**3,755,305**
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	(1,630,602)	(1,353,903)
NET CURRENT ASSETS		792,245	2,401,402
TOTAL NET ASSETS		**2,438,889**	**3,959,595**
FUNDS OF THE CHARITY			
Restricted income funds	14	1,000,767	2,059,555
Unrestricted income funds	14	1,438,123	1,900,040
TOTAL CHARITY FUNDS		**2,438,889**	**3,959,595**

The notes on pages 59 to 74 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 03 July 2025 and signed on their behalf by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Statement of Cash Flows
For the year ended 31 December 2024

	Total 2024 £	Total 2023 £
Net (expenditure) for the year (as per the Statement of Financial Activities)	**(1,520,707)**	**(2,876,342)**
Adjustment for:		
Depreciation of fixed assets	**75,005**	**66,462**
(Gain)/Loss on investments	**(112,931)**	**(50,522)**
Dividends, interest and rents from investments	**(92,296)**	**(80,308)**
Decrease in debtors	**186,613**	**402,896**
Increase in creditors	**276,699**	**103,460**
Net cash (used in) Operating Activities	**(1,187,617)**	**(2,434,355)**
Cash Flows from Investing Activities		
Bank interest received	**92,296**	**80,308**
Purchase of Fixed Assets - Tangible	**(7,029)**	**(7,133)**
Purchase of Fixed Assets - Intangible	**(43,500)**	**(29,100)**
Net cash (used in) investing activities	**41,767**	**44,075**
Change in cash and cash equivalents in the year	**(1,145,850)**	**(2,390,280)**
Cash and cash equivalents brought forward	**3,182,313**	**5,572,593**
Cash and cash equivalents carried forward	**2,036,468**	**3,182,313**

The notes on pages 59 to 74 form part of these accounts.

Notes to the Financial Statements
For the year ended 31 December 2024

NOTE 1

1. Accounting policies

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) for Accounting and Reporting by Charities, the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, except for quoted investments which are stated at market value.

Basis of consolidation

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 18. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

Going concern

A going concern review process is in place which includes a 5-year financial projection and scenario planning of income and expenditure and levels of reserves forecast. The financial plan takes into consideration the current economic and geo-political conditions and their impact on our main income streams and consequent implication for fundraising investment as well as normal spend levels. The Trustees are regularly monitoring the Charity's finance as well as key risks and therefore have a reasonable expectation that SOS Children's Villages UK has sufficient resources to continue in operational existence for the foreseeable future and they consider that there are no material uncertainties about the Charity's ability to continue as a going concern and these accounts have therefore been prepared on this basis.

1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 10 members of the company being the Trustees named on page 50. The registered office address is also shown on page 50. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the purposes they have been raised by the Charity and are shown as restricted funds in the statement of financial activities. An analysis of the movements on restricted funds is set out in Note 14 after allowable expenditure has been applied.

Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and a contingency fund for other unidentified operational issues.
2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:
   a.) Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income.
   b.) The Trustees anticipate the designated reserves to be fully utilised over the coming next three years. An analysis of the movements on unrestricted funds is set out in Note 14.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations and grants received during the year are fully accounted in that year unless they are subject to performance-related conditions or other terms and conditions that may prevent income recognition. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and are treated as unrestricted income unless otherwise specified by the donor and is recognised at the time of the donation. Legacies are recognised when receipt is reasonably certain, and the amount can be reliably measured. Receipt of a legacy, in whole or in part, is only considered reasonably certain when the charity has been notified of the executor's intention to make a distribution following the agreement of the estate's accounts. Where the charity is aware of the granting of probate, but the final or interim estate accounts have not been received to determine amounts receivable, then the legacy is treated as a contingent asset and disclosed if material. However, income relating to both pecuniary and residuary legacies is accrued if the amount is material and the Charity has received evidence to support its receipt within six months of the year end. Gifts in kind i.e. goods, facilities and services donated for the charity's use, are included at a value equivalent to that which the charity would ordinarily incur on them and, are recognised in the Financial Statements, as both income and expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. governance costs are allocated to the applicable expenditure headings. Charitable expenditure relates to work undertaken by the charity, in supporting children and Children's Villages in which children without parental care live, delivering family strengthening and youth empowerment programme, responding to emergencies, sector strengthening and capacity building. Expenditure on charitable activities includes both costs that can be directly allocated as well as costs of an indirect nature such as support costs incurred to provide the infrastructure and critical Finance, HR, admin and IT service as well as a share of the governance costs. The costs of raising funds relate to the costs incurred by Charity on activities to generate donations grants and legacies and to keep donors informed about our work. Costs are made up of salaries of people working on fundraising, supporter care and the direct costs of running fundraising campaigns as well as the indirect costs necessary to support fundraising activities. Support costs comprise the infrastructural and organisation services that support the charitable activities. i.e. the salary of the support functions such as Finance, IT Human Resources & Admin, the Chief Executive's Office, rent, office running cost and the fee paid for being a member of the SOS Children's Villages federation. Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include a percentage of salaries for time spent on governance, company secretarial and external audit costs, legal, tax advice, meeting costs of the Board and its Committees and an allocation of support costs.

1.6 BASIS OF EXPENDITURE ALLOCATION

The greatest proportion of the Charity's expenses are directly attributable to either raising funds or specific charitable activities. The remaining costs relate to support and governance costs which support more than one activity and are as a result allocated to raising funds and charitable activities based on staff time. The basis of cost expenditure allocation is reviewed periodically for reasonableness.

1.7 TANGIBLE & INTANGIBLE FIXED ASSETS AND DEPRECIATION

All items costing more than £1,000 and are expected to have an economic useful life beyond 1 year are capitalised. Tangible and Intangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- **Tangible Assets:**
  Furniture & Fittings 10% per annum
  Office Equipment 20% per annum
  Computer Hardware 20% per annum
- **Intangible Assets:**
  Software 14%-20% per annum

1.8 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the SOFA.

1.9 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straightline basis over the lease term.

1.10 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.11 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

1.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 PENSIONS

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

1.16 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured
at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, at the bid rate. All other assets and liabilities are recorded at cost which is their fair value.

1.17 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities in the year (2023: Nil). Income Tax incurred by deduction is reclaimed in full from HMRC. SOS Children's Villages UK is registered for VAT up until 31 March 2025.

1.18 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies described above, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting estimates that have an effect on the amounts recognised in the financial statements are described in the accounting policies and detailed in the relevant notes to the accounts:

a.) grant, legacy and gift in kind income are detailed in Note (2)

b.) The allocation of support costs which requires a judgement on the most appropriate basis to apportion costs and are detailed in Note (6)

c.) accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

NOTE 2: Income from donations and legacies

	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £	Total 2023 £
Gifts and donations	2,540,509	2,341,624	**4,882,133**	4,447,054
Legacies	-	442,281	**442,280**	276,970
Gift Aid	-	476,234	**476,235**	479,805
Total donations and legacies	**2,540,509**	**3,260,139**	**5,800,648**	**5,203,829**

NOTE 3: Foreign currency gain

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Foreign Currency Gain	-	245,800	**245,800**	137,237
Total Foreign Currency Gain	**-**	**245,800**	**245,800**	**137,237**

In 2023 the Charity received £137,237 from our international office relating to Exchange gain, £245,800 received in 2024.

NOTE 4: Investment Income

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receiveable	-	92,296	**92,296**	80,308
Total	**-**	**92,296**	**92,296**	**80,308**

NOTE 5: Analysis of Expenditure 2024

	Activities directly undertaken 2024 £	Support Costs 2024 £	Total 2024 £
Cost of raising funds:			
Costs of raising donation income	1,675,380	300,403	**1,975,783**
Ongoing investment in Fundraising strategy	911,512		**911,512**
Total cost of raising funds	**2,586,891**	**300,403**	**2,887,295**
Charitable activities:			
Caring for children	1,648,243	486,444	**2,134,687**
Keeping families together	1,873,115	290,005	**2,163,120**
Youth employability and education	44,178	213,140	**257,318**
Protecting children in emergencies	316,026	13,936	**329,962**
Total Charitable Activities before exchange movements	**3,881,562**	**1,003,525**	**4,885,087**
Total Expenditure	**6,468,454**	**1,303,929**	**7,772,382**

NOTE 5: Analysis of Expenditure 2023

	Activities directly undertaken 2023 £	Support Costs 2023 £	Total 2023 £
Cost of raising funds:			
Costs of raising donation income	913,966	304,590	**1,218,555**
Ongoing investment in Fundraising strategy	819,254		**819,254**
Total cost of raising funds	**1,733,220**	**304,590**	**2,037,810**
Charitable activities:			
Caring for children	2,672,588	300,472	**2,973,060**
Keeping families together	1,593,329	278,354	**1,871,682**
Youth employability and education	1,171,021	204,713	**1,375,734**
Protecting children in emergencies	76,567	13,385	**89,952**
Total Charitable Activities before exchange movements	**5,513,504**	**796,924**	**6,310,428**
Total Expenditure	**7,246,724**	**1,101,514**	**8,348,238**

NOTE 6: Support costs 2024

	Raising funds 2024 £	Charitable activities 2024 £	Total funds 2024 £
Personnel costs	32,318	224,187	**256,505**
Premises costs	43,732	25,482	**69,214**
IT & website costs	63,134	36,786	**99,921**
Other support costs	161,219	518,274	**679,493**
Governance (note 7)		198,796	**198,796**
Total	**300,403**	**1,003,525**	**1,303,929**

NOTE 6: Support costs 2023

	Raising funds 2023 £	Charitable activities 2023 £	Total funds 2023 £
Personnel costs	79,442	86,608	**166,050**
Premises costs	39,167	22,822	**61,989**
IT & website costs	38,272	22,300	**60,572**
Other support costs	147,709	474,844	**622,553**
Governance (note 7)		190,351	**190,351**
Total	**304,590**	**796,924**	**1,101,514**

Support costs are allocated across charitable activities based on staff time to ensure accurate distribution. These include management, administrative, and governance expenses, covering the Chief Executive, Communications & Marketing, Finance, IT, HR, and office operations.

The Charity's membership fee for the federation was £463,4048 in 2024 (2023: £242,098). In 2024, fees were allocated based on the International Office's time spent on activities, whereas previously, it was based on SOS UK staff time.

In November 2023, the International Senate revised the membership fee model to ease the burden on self-sufficient National Associations (NAs). Now, only Promoting & Supporting Associations (PSAs) pay Program Support, while all members contribute to the Federation Contribution based on total income. This reduces NA membership fees and PSA indirect fees, while increasing the PSA direct fee, keeping overall contributions unchanged.

NOTE 7: Governance

	Raising funds 2024 £	Charitable activities 2024 £	Total funds 2024 £	Raising funds 2023 £	Charitable activities 2023 £	Total funds 2023 £
Staff Costs	-	151,052	**151,052**	-	119,331	**119,331**
Chair recruitment	-	-	**-**	-	29,854	**29,854**
Auditors' remuneration	-	19,167	**19,167**	-	23,453	**23,453**
Legal fees	-	5,142	**5,142**	-	8,498	**8,498**
Meetings	-	15,868	**15,868**	-	5,558	**5,558**
Other Governance Cost	-	7,568	**7,568**	-	3,656	**3,656**
Total	**-**	**198,796**	**198,796**	**-**	**190,351**	**190,351**

NOTE 8: Net expenditure

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible/intangible assets owned by the charity	**75,005**	**66,362**
Auditors' remuneration	**19,167**	**23,453**
Operating lease payments	**57,679**	**56,623**
Pensions and other costs	**62,812**	**53,270**
Foreign exchange (Gain)	**(245,800)**	**(137,237)**

NOTE 9: Staff costs

	2024 £	2023 £
Wages and salaries	1,390,629	1,094,547
National Insurance cost	155,316	118,175
Pensions and other costs	62,813	48,642
Total	**1,608,757**	**1,261,363**

No severance payments were made to any employees in 2024 (2023: £Nil).

Average number of staff employed

The average monthly number of employees during the year was as follows:

	2024 No.	2023 No.
Fundraising	11.20	11.70
Programme Management	4.80	4.60
Communications	4.00	3.10
Finance & IT and HR/Admin	7.90	7.10
Governance	1.00	-
Total	**28.90**	**26.50**

The key management personnel of the charity comprise of the Trustees and 5 others being the Chief Executive Officer, the Director of Finance & IT, the Director of Development, the Director of Individual Giving and the Director of Communications, Brand and Advocacy.
No Trustees received any remuneration or benefits in kind from the charity. The total employee benefits of the key management personnel of the charity comprised of their salary, employer national insurance and pension contributions totaling £492,828 (2023 - £392,434).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2024 No.	2023 No.
In the band £60,000 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	2	1
In the band £90,001 - 120,000	1	1

Total employer's pension contributions in relation to the above higher paid employees was £22,514.61

NOTE 10: Tangible and Intangible fixed assets

	Tangible fixed assets			Intangible fixed assets	Total fixed assets	
	Furniture & Fittings £	Computer Equipment £	Total £	Computer Software £	Total 2024 £	Total 2023 £
At 1 January 2024	9,962	59,752	**69,714**	322,627	**392,341**	**356,007**
Additions	-	7,029	**7,029**	43,500	**50,529**	**36,233**
Disposals	-	-	**-**	-	-	-
At 31 December 2024	**9,962**	**66,781**	**76,740**	**366,127**	**442,870**	**392,240**
Accumulated Depreciation						
At 1 January 2024	4,000	44,443	**48,443**	64,525	**112,968**	**46,506**
Charge for year	1,192	7,243	**8,435**	66,570	**75,005**	**66,362**
Disposals	-	-	**-**	-	-	-
At 31 December 2024	**5,192**	**51,686**	**56,878**	**131,095**	**187,973**	**112,868**
Net Book Value at 31 December 2024	4,770	15,095	**19,865**	235,031	**254,893**	**279,371**
Net book value at 31 December 2023	**5,962**	**15,309**	**21,271**	**258,102**	**279,371**	-

NOTE 11: Investments

	Listed investments 2024 £	Listed investments 2023 £
MARKET VALUE		
At 1 January 2024	1,278,820	1,228,353
Additions	-	231,401
Disposals	-	(231,401)
Unrealised gain on investments	112,931	50,467
At 31 December 2024	**1,391,751**	**1,278,820**
Comprising of:		
Equities	1,391,751	1,278,820
Total market value	**1,391,751**	**1,278,820**
Total historical cost of investment	**1,000,000**	**1,000,000**

NOTE 12: Debtors

	2024 £	2023 £
Other debtors	26,516	76,389
Prepayments and accrued income	276,165	460,381
Tax recoverable	83,698	36,222
Total	**386,379**	**572,992**

NOTE 13: Creditors: amounts falling due within one year

	2024 £	2023 £
Trade Creditors	61,269	92,141
Other taxation and social security	45,439	59,439
Other creditors	38,793	140,850
Accruals	1,485,101	1,061,473
Total	**1,630,602**	**1,353,903**

NOTE 14: Statement of funds 2024

	Brought forward 2024 £	Income 2024 £	Expenditure 2024 £	Gains/ (Losses) 2024 £	Carried forward 2024 £
UNRESTRICTED FUNDS					
General fund	1,694,457	3,598,236	(4,173,085)	112,931	1,232,539
Designed funds	205,584	-	-	-	205,584
	1,900,041	**3,598,236**	**(4,173,085)**	**112,931**	**1,438,123**
RESTRICTED FUNDS					
Zambia	46,854	76,677	(76,677)		46,854
Gambia - YTEP Project, Basse	2,785	48,511	(37,792)		13,504
Sponsorship fund	130,582	1,484,644	(1,385,028)		230,197
Standard Chartered Foundation	121,103	-	(121,103)		-
M&G (Family Strengthening & Youth Employability)	8,000	7,170	(8,962)		6,208
Elrha	9,146	22,448	(33,144)		(1,549)
Ukraine and other Emergency Responses	5,485	5,135	(5,227)		5,393
Gaza/Israel appeal	4,378	94	(94)		4,378
Choose Love	-	65,432	(65,432)		(0)
Gath & Chaves	-	200,000	(200,000)		-
ICE	-	100,320	(100,320)		-
Said Foundation	-	190,027	(190,027)		-
Other projects <£50k	320,772	333,542	(462,286)		192,028
India Legacy	1,410,450	-	(918,554)		491,896
Other	-	6,509	5,350		11,859
	2,059,554	2,540,509	(3,599,297)	-	1,000,767
Total funds	**3,959,595**	**6,138,745**	**(7,772,382)**	**112,931**	**2,438,889**

NOTE 14: Statement of funds 2023

	Brought forward 2023 £	Income 2023 £	Expenditure 2023 £	Gains/ (Losses) 2023 £	Carried forward 2023 £
UNRESTRICTED FUNDS					
General fund	2,691,026	2,820,846	(3,867,938)	50,522	1,694,457
Foreign exchange reserve	205,584	-	-	-	205,584
	2,896,610	**-**	**(3,867,938)**	**50,522**	**1,900,041**
RESTRICTED FUNDS					
Zambia	46,854	25,110	(25,110)		46,854
Gambia - YTEP Project, Basse	58,285	145,409	(200,909)		2,785
Sponsorship fund	135,465	1,712,573	(1,717,457)		130,582
Standard Chartered Foundation	904,726	-	(783,623)		121,103
M&G (Family Strengthening & Youth Employability)	-	249,600	(241,600)		8,000
Elrha	-	89,792	(80,646)		9,146
Other Emergency Responses	23,103	33,430	(51,048)		5,485
Gaza/Israel appeal	-	4,378	-		4,378
Other projects <£50k	436,316	277,152	(392,696)		320,772
Italy Swap	-	52,800	(52,800)		-
Norway Swap/ Maputo Legacy	-	10,283	(10,283)		-
India Legacy	2,334,578	-	(924,127)		1,410,450
	3,939,326	2,600,528	(4,480,300)	-	2,059,554
Total funds	**6,835,937**	**5,421,374**	**(8,348,238)**	**50,522**	**3,959,595**

NOTE 15: Analysis of net assets between funds

Current year	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £
Intangible fixed assets	-	235,031	**235,031**
Tangible fixed assets	-	19,862	**19,862**
Investments	-	1,391,751	**1,391,751**
Current assets	2,354,984	67,863	**2,422,847**
Creditors due within one year	(1,354,218)	(276,384)	**(1,630,602)**
Total	**1,000,767**	**1,438,123**	**2,438,889**

Prior year	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £
Intangible fixed assets	-	258,102	**258,102**
Tangible fixed assets	-	21,271	**21,271**
Investments	-	1,278,820	**1,278,820**
Current assets	3,121,027	634,277	**3,755,305**
Creditors due within one year	(1,061,473)	(292,430)	**(1,353,903)**
Total	**2,059,555**	**1,900,040**	**3,959,595**

NOTE 16: Analysis of changes in net debt

	Balance brought forward 01/01/2024 £	Cashflow	Balance carried forward 31/12/2024 £
Cash in hand	**3,182,313**	**(1,145,845)**	**2,036,468**

NOTE 17: Operating lease commitments

At 31 December 2024 the charity had total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Equipment	
	2024 £	2023 £	2024 £	2023 £
Expiry date:				
Within 1 year	10,500	42,000	-	4,200
Between 2 and 5 years	-	21,000	-	1,259
Total	**10,500**	**63,000**	**-**	**5,459**

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

NOTE 18: Related party transactions

At 31 December 2024 the Charity held all 100 ordinary shares of £1 each in the wholly owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom. These shares were written down to nil value in the 2002 accounts and the company ceased trading on 31 December 2001 and has remained dormant since that date.

Aggregate donations from related parties were £5,750 (2023: £2,524).

There are no other related party transactions.

NOTE 19: Trustee expenses

Trustees made expense claims during the year for the sum of £645. The trustees did not receive any remuneration in 2024. In 2023 Trustees did not claim any expenses, nor they received any remuneration.

No child
should grow
up alone

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Charity registered in England and Wales, number: 1069204,
Company number 03346676

Cover image: A mother and her child standing outside their house, Rwanda. © Anne Kidmose

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SOS CHILDREN'S VILLAGES
UNITED KINGDOM

SOS CHILDREN'S VILLAGES UK

England & Wales - Charity number 1069204

Accounts

Annual Report 2023

SOS CHILDREN'S VILLAGES
UNITED KINGDOM

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Front cover: A grandmother and her grandchild laughing, Somaliland. © ***Lydia Mantler***

Image above: A mother at home hugging her child, Bolivia. © ***Monica Garcia***

We have changed the names of many of the children, young people and adults within this publication to protect their identities.

WELCOME

2023 was another year marred by humanitarian crises. High-profile wars, such as the protracted conflict in Ukraine, and the latest devastating escalation of violence in Gaza and Israel towards the end of the year, dominated the headlines. At the same time, many emergencies, including the Venezuelan refugee crisis, which is being felt keenly in Colombia and Brazil, and the acute humanitarian crisis in Sudan, passed largely under the radar. Around the world, SOS Children's Villages' members responded to 32 emergencies in 2023.

As always, it is the children, young people and their families in already vulnerable situations who are most impacted by these disasters. Throughout the year, SOS Children's Villages played its part in trying to alleviate the suffering of children and young people caught up in these emergency situations, focusing on those without, or who risk losing, the love and support of parents.

Faced with such challenges, we ask ourselves how we can best support children and families in an increasingly complex and volatile world — one which will continue to experience progressively more severe impacts resulting from the climate crisis.

While it's important for SOS Children's Villages to provide immediate support and relief during emergencies, more importantly, we must help build resilience and sustainability within the families and communities we work with. For us in the UK, this means sustainability in the programmes we fund and in how we operate as a charity.

In 2023, while continuing to support the provision of quality alternative care for thousands of children, at SOS Children's Villages UK, we also increased our investment in empowering individuals, families and communities. This meant focusing on reunifying children with their biological families; strengthening and supporting families of all shapes and sizes; building self-reliance within communities; and ensuring support for long-term and sustainable programmes from employability skills to healthcare.

Through this work, we continued to strive towards providing the best possible future chances for children and young people, helping them develop into strong, resilient adults. Our core purpose remained our guiding star — to ensure that children grow up with the healthy relationships, love and support they need to thrive and become their strongest selves.

We also carried on strengthening our own UK operations, so we can continue to have the resources and flexibility to support these activities for many years to come.

None of this would be possible without the trust and commitment shown by you, our loyal supporters. We hope you enjoy reading about some of the many achievements you have helped make possible. We are hugely grateful for your ongoing support and belief in our work — you are making such a difference to the lives and futures of thousands of children and families all over the world. Thank you.

Alison Wallace
CEO

Harpinder Collacott
Chair of Trustees

Image above: A mother and her daughter hugging, Shillong, India. © ***Lydia Mantler***

WHO WE ARE

As a child, you need someone who sees you — who stands by you no matter what. Someone who holds you close when you are small and believes in you when you are ready to step into the world.

However, 1 in 10 children and young people around the world are at risk of growing up alone: separated from their families, neglected or forced to live in an abusive environment.

The effects of this often last a lifetime, creating a harmful cycle that repeats from one generation to the next. Together, we are here to break this cycle and prevent it from happening in the first place.

SOS Children's Villages UK is part of a global federation operating in over 130 countries and territories. Founded in 1949, SOS Children's Villages is the world's largest non-governmental organisation focused on supporting children and young people without, or at risk of losing, parental care.

We go beyond meeting the physical needs of each child, focusing on ensuring children have love and support. A positive and supportive childhood empowers children to develop the life skills and resilience they need to move confidently into adulthood.

Because when a child or young person is safe, loved and respected, they can thrive. When they have healthy relationships, they can become their strongest selves. This is why we're here.

What we do

Our locally led operations assist and empower children, young people and families in four main areas:

Keeping families together: we support and strengthen families who are under pressure, helping them to stay together.

Caring for children: we provide quality, alternative care according to each child's unique needs.

Youth employability and education: through training and developing skills, we help young people to prepare for their future and find employment or set up businesses.

Protecting children in emergencies: we support children and families in crisis situations, helping with their physical and psychological needs.

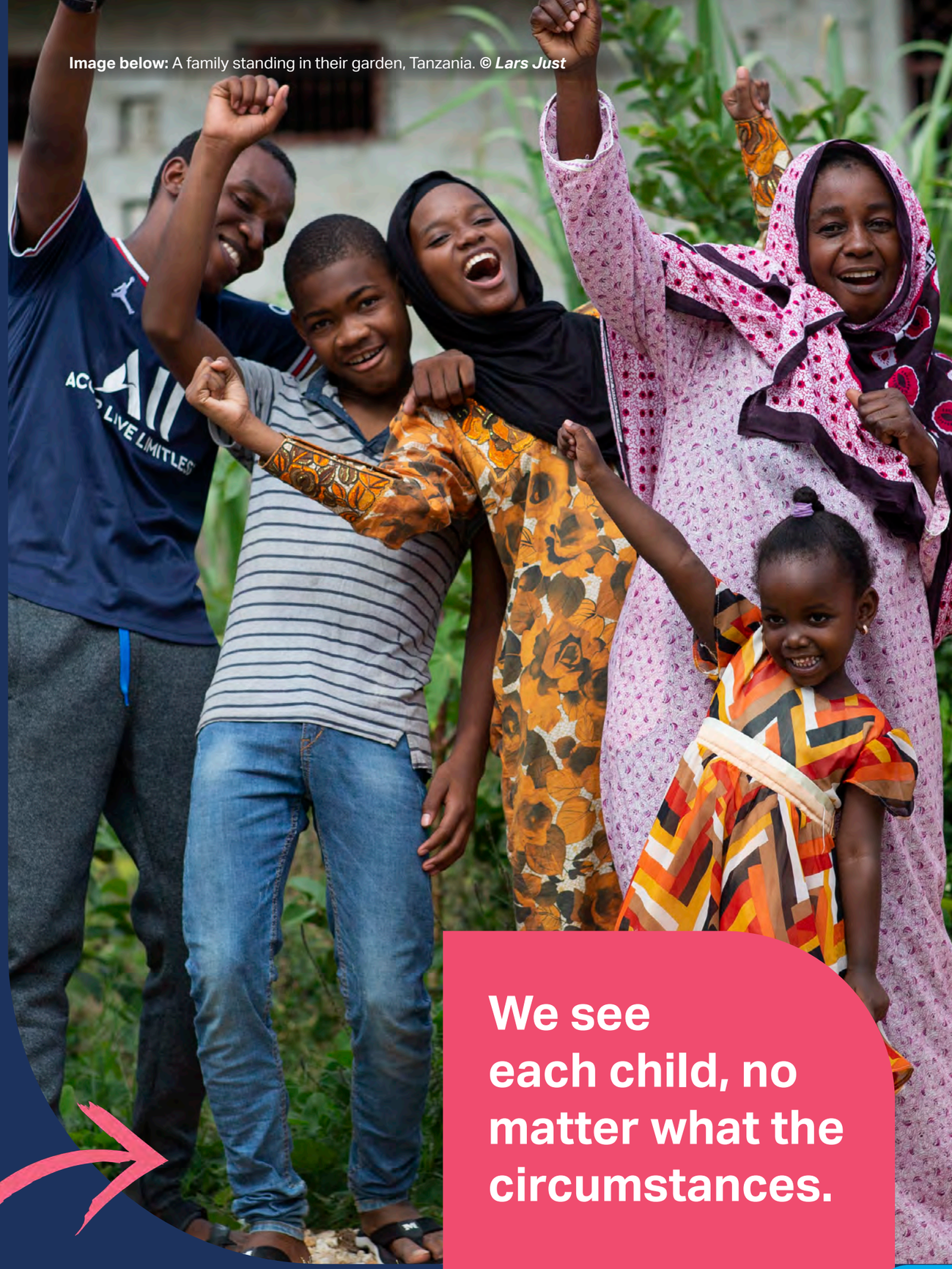
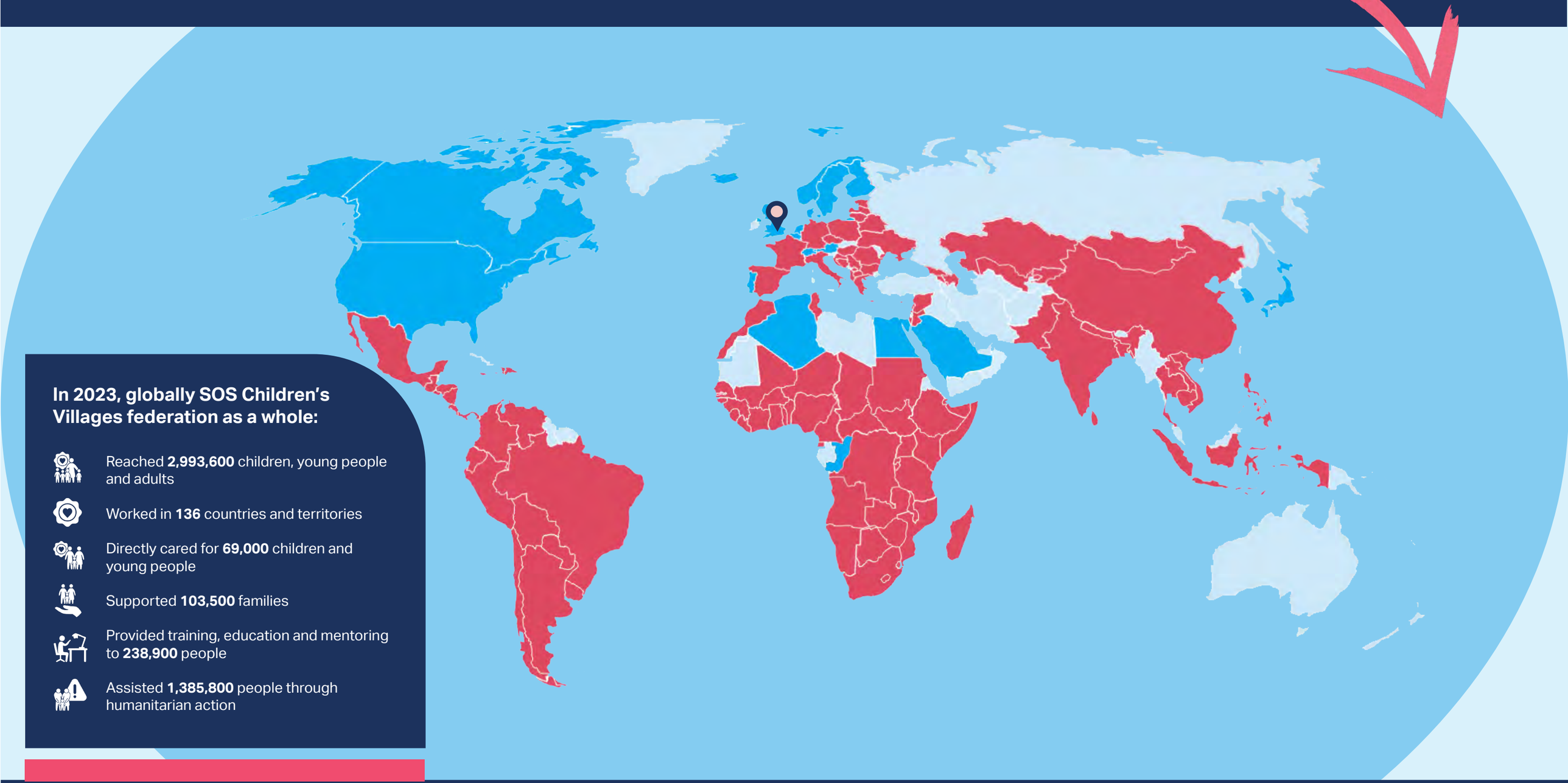


Image below: A family standing in their garden, Tanzania. © ***Lars Just***

We see each child, no matter what the circumstances.

WHERE WE WORK



In 2023, globally SOS Children's Villages federation as a whole:

- Reached **2,993,600** children, young people and adults
- Worked in **136** countries and territories
- Directly cared for **69,000** children and young people
- Supported **103,500** families
- Provided training, education and mentoring to **238,900** people
- Assisted **1,385,800** people through humanitarian action

Colour Key

Countries/territories where SOS Children's Villages was active in 2023, directly supported by SOS Children's Villages UK

Countries/territories where SOS Children's Villages was active in 2023, not directly supported by the UK

Due to Russia being suspended from the SOS Children's Villages Federation, funding to Russia from the UK stopped in early 2023.

A YEAR IN REVIEW

In 2023, SOS Children's Villages UK supported over 80,000 children and young people in 111 countries and territories: providing quality, alternative care for children without parental care; helping prevent family breakdown; protecting children and families in emergencies; and empowering young people through youth education, skills training and mentoring.

We raised a total of £5.42m from our generous supporters for our work to ensure that children have the healthy relationships they need to become their strongest selves. Money was raised from UK donors through public donations, legacies, sponsorships, community fundraising efforts, charitable trusts and foundations, and voluntary income from corporate partnerships. In addition to funds from individual sponsors and donors, we received sizeable funding from M&G plc, PDFoundation, DeMellier, FactSet, tcc Foundation and Pinsent Masons, as well as a number of other companies, and trusts and foundations.

We are extremely grateful for the continued generous support of all our donors. Read more about the financial breakdown of our income and expenditure on pages 44 to 47, and pages 62 to 83, and about those who fund our work on page 42.

Image above: Woman and girls dancing, Niger. © ***Vincent Tremeau***

Progress towards our objectives in 2023

In 2023, SOS Children's Villages UK continued work towards our three-year strategic framework (2022-2024). We made the following progress against the goals we set for ourselves in support of our charitable purpose. More details of our work and achievements can be found on pages 14 to 39.

1 **Continue to support children who have lost parental care and families at risk of breakdown, assisting partners to sustain programmes with longer-term impacts, while developing resilience to respond to new crises as they emerge; supporting families with livelihoods and resilience-related programmes; continuing to develop education and employability programmes for young people; and amplifying our impact by increasing the number of children, families and communities we support.**

In 2023, SOS Children's Villages UK supported children and young people without parental care or at risk of losing it, in 111 countries and territories around the world.

We continued to strengthen and help keep families together across 17 different countries, impacting 51,900 children and young people.

Responding to the unique needs of each family, we provided support in multiple ways, for example helping families secure new sources of income and develop skills; ensuring children remain in school; and protecting children's physical and mental health. Through projects focusing on healthcare, we reached over 17,200 people. We also worked with wider communities to ensure children are better protected and communities have greater resilience in the future.

Providing quality, alternative care remained a core part of our work. In 2023, 6,722 UK donors directly supported over 4,194 children across 431 locations. In response to programme changes in some locations, greater emphasis was given to moving children from the Villages and reunifying them with their extended family. In-line with our fundraising strategy, rather than securing new sponsorships, we continued to focus on engaging potential regular supporters to provide sustainable funding across SOS Children's Villages' programmes. In 2023, we brought in 4,562 new regular supporters.

We also received £277k in valuable legacy gifts, including funds earmarked for Georgia, Sudan, Malawi, Vietnam, Lithuania, Latvia and Mozambique, meaning more children and young people in these locations will have the love and support they need to thrive. Working in partnership with companies, trusts and foundations, and individuals, we provided training, entrepreneurship, mentoring and employment opportunities. This enabled over 6,800 young people across 17 different countries to gain the confidence and the skills required to be better prepared for the world of work.

Contributing to SOS Children's Villages global YouthCan! initiative, we supported young people in Bulgaria, South Africa, The Philippines and India to gain valuable life and career skills. We also mentored and assisted young people through the Futuremakers by Standard Chartered initiative, reaching 2,725 people in twelve months. Contributing to SOS Children's Villages 'Digital Villages' programme, we helped young people to access and gain crucial IT skills.

Acknowledging the importance of protecting children and supporting families during acute crises, we contributed to SOS Children's Villages' humanitarian response efforts. Specifically in 2023, we provided ongoing support to Ukraine and Pakistan, and raised funds and awareness to help some of the many children impacted by renewed war between Israel and Hamas following the 7 October attacks.

2

Continue our long-term support for children and young people in Basse, The Gambia and Chipata, Zambia, together with vulnerable families in the region. Working with our Gambian and Zambian colleagues, as well as other SOS Children's Villages colleagues who support this work, we will identify the changes and actions needed to continue to ensure the programmes being delivered are in the best interests of each child, and contribute as part of SOS Children's Villages Strategy 2030.

In 2023, we continued to provide substantial support to children, young people, families and communities in Basse, The Gambia and Chipata, Zambia. In total we provided £631k to The Gambia and Zambia, directly supporting 1,784 people across both countries.

This was a year of transition and transformation in both locations. We worked closely with other SOS Children's Villages' partners to support our Gambian and Zambian colleagues to design and deliver programmes with a long-term and sustainable impact. Where possible, the best place for children is with their families. Working directly with families and communities, the teams in The Gambia and Zambia focused on reuniting children who have to-date been cared for directly by SOS Children's Villages, back with their extended families and communities, where safe and possible to do so.

By the end of 2023, 57 children and young people in Basse and 53 in Chipata had been reunited with biological family members such as older siblings, parents or grandparents, or been found alternative forms of care within the community such as in foster homes. These processes were carefully managed to ensure that the children, families and communities were well-prepared and supported before, during and after reintegration. In Basse we also handed over management of the school to the local authority to ensure a more sustainable long-term future, consistent with national educational provision.

Operating in the best interests of each child, where we were not able to reintegrate children with their families, SOS Children's Villages UK continued to support the provision of tailored, family-like care for a total of 63 children in The Gambia and Zambia, as well as providing broader educational and other support to many more. We also focused on integrating the SOS Children's Villages homes into communities to provide the children and their caregivers with greater community support.

In Zambia, we built on work to support and strengthen families. This included improving access to business start-up capital and farming support; helping children stay in education; and delivering training to caregivers on childcare, rights and safeguarding. Assisting 615 people in the area, these activities saw positive results, for example 79% of those caring for children said their childcare practices had improved since the training and 71% of children who were part of the programme had improved school attendance.

In The Gambia, we continued our Youth Training and Employability Programme in Basse, enabling 442 young people in 2023 to either begin, complete or graduate from their studies, gaining the skills they need to succeed in the workplace.

3

In line with the continued focus and improvements within the SOS Children's Villages federation, work to strengthen the safeguarding of children, young people and staff, with our SOS Children's Villages programme delivery partners and within our UK operations, reviewing and refining our policies, processes and practices, and ensuring changes are implemented.

This year we continued to strengthen safeguarding policies and practices across our UK operations and in the countries where we have programmes. In particular, we worked with our Gambian, Zambian and Indian colleagues to engage with wider safeguarding improvements happening at federation level and improve safeguarding culture and processes, as part of transformations towards safer and more sustainable programming in these three countries. We also ensured that considered safeguarding measures were taken, which included effective collaboration with multiple local professionals, during the processes of reintegrating children and young people with their families and communities.

We continue to be a member of the SOS Children's Villages' regional safeguarding and integrity network, working to ensure consistent best practice and effective roll out of new federation-wide safeguarding policies and training. We also strengthened our processes and guidance around donor visits to our programme locations, to better protect the children we care for.

In September 2023, we attended the annual conference of the International Society for the Prevention of Child Abuse and Neglect (ISPCAN) with colleagues from across the Federation. The conference was hosted by Childlight, the new global child safety institute based out of Edinburgh University. Childlight and SOS Children's Villages UK are excited to have a new partnership based on our shared aims for improving child protection at a global level, which will help strengthen safeguarding further going forwards.

4

Continue to invest in our people, systems, processes and operations, developing the infrastructure necessary to strengthen our fundraising further, with the specific aim to increase our unrestricted income to 40% of our total income, and making long-term commitments to the SOS Children's Villages programmes we support globally and to working in partnership to amplify our impact.

Throughout 2023, we continued investing in our people, processes and systems and strengthening our fundraising practices. This is crucial to ensure that we can have greater impact and ensure more children and young people grow up feeling safe, loved and respected.

Despite a difficult external environment, we sustained investment in our fundraising and performed well against our fundraising targets. While we secured less than budgeted legacy income, we were able to raise more than expected from individual supporters. We continued to invest in diversifying our income, building new partnerships and donor relationships. To better reach existing and potential new supporters with information about the work we are doing and the impact this has, we began a process of refreshing our visual identity, and website, and continued embedding our new Customer Relationship Marketing (CRM) and finance systems.

In 2023, 52% of our total income was unrestricted, significantly more than our target of 40%. Flexible, unrestricted income that is not specifically earmarked for one particular purpose is vital to enable us to commit sustainable support to SOS Children's Villages' global programmes and ensure funds are used where they are most needed.

Keeping families together

We believe that wherever possible, children are served best by remaining with their families. Our work to strengthen families and prevent family breakdown, contributes to the wellbeing of children and communities, fostering resilience and inspiring healthy, thriving futures for generations to come.

Keeping families together plays a critical role in protecting children who are at risk of losing parental care. Some families face multiple stresses that push them to breaking point, including loss of livelihoods, death or illness, war and natural disasters. By directly supporting families who are under extreme pressure, we help to reduce the likelihood of separation. We empower parents and other caregivers with the knowledge, tools and resources they need to provide the best possible care for their children, ensuring that children can continue growing up in a safe, loving and nurturing environment.

In 2023, SOS Children's Villages UK reached 51,900 children and young people through specific initiatives aimed at strengthening families. This work took place in 17 countries. We spent £1.87m on a variety of programmes which assisted families through education, economic empowerment, parenting skills and community support initiatives.

This support helped families remain strong, and children to grow up with the love and support they need to thrive. Through our partnership with M&G plc alone, we assisted over 44,000 children in 6 countries. In addition, we provided healthcare and health education to 17,200 people including affordable eyecare, oral hygiene education, and sexual and reproductive health awareness.

Helped strengthen families in 17 countries

Impacted 51,900 children and young people through family strengthening

Image above: A father playing with his son, Mozambique. ***© SOS Children's Villages International***

Empowering young mothers

Image: A mother hugs her daughter, Tanzania. © ***Christensen Stjerne***

In many of the communities in which we work, women still do not have the same economic opportunities or power as men. Young women are at a particular disadvantage, and young mothers even more so. Through our work to keep families together, we provide specific opportunities for girls and mothers — to gain greater independence, develop new skills and generate their own income. This helps families stay together, and ensures children are better supported and able to continue with their education.

Throughout 2023, we delivered several projects aimed at supporting and empowering women and young mothers to provide for and create a better future for themselves and their children.

Supporting teenagers with children in Tanzania

Thanks to funding from The Angela Webster Education Trust, in 2023, we supported a project in Tanzania aimed at helping teenage mothers. Half of Tanzania's population are children and 27% of girls aged 15 to 19 have been pregnant or given birth. These girls are often left on the margins of society without access to education, training or a stable future.

Through this project, teenage mothers are gaining the skills and networks they need to build successful businesses and are being supported to re-enrol in school. Activities are also helping to change mindsets within communities, of the right of girls to receive an education.

In 2023, we worked with 63 adolescent mothers, providing a mixture of apprenticeships, vocational training and assistance back into education. These young women gained skills, for example in cookery, hairdressing and tailoring, with several starting small businesses. In addition, we raised awareness among over 860 community members across 18 villages of the importance of girls' education, through a series of community meetings. This resulted in 30 adolescent mothers so far being supported by their communities to resume their school studies.

Image: Daniela and her peers, celebrating their success after finishing a chocolate course. © ***SOS Children's Villages Venezuela***

Providing opportunities for young Venezuelan women through chocolate

One of the many economic challenges in Venezuela is women's employability. Women of all ages lack the necessary skills to start businesses and engage in work, and there is little support for them to do so. This means women can become disempowered which can have harmful knock-on impacts on their children and families.

Cacao, a seed for the family is an initiative in partnership with organisations and experts in the cocoa and chocolate industry, which aims to address the increasingly high levels of unemployment among women in Venezuela. This project provides education, training and skills to aspiring chocolate entrepreneurs. In 2023, we trained and educated 58 women and 4 teenagers in chocolate production and in the fundamental aspects of managing micro-enterprises and marketing, giving them the knowledge they need to establish their own chocolate businesses.

27-year-old Daniela has been a participant in SOS Children's Villages Family Strengthening programme in Venezuela since February 2023. She has now started a chocolate business thanks to training provided as part of this project.

Becoming a mother as a teenager resulted in Daniela having to leave school early. Now a mother of three, joining the programme represents a valuable opportunity for her and her family. She lives in her parent's house with her children and husband. Following her two brothers being killed by criminal gangs, she also dedicates herself to supporting and providing companionship to her parents, as their only surviving child.

After completing a chocolate course in October 2023, along with 24 other women, Daniela put into practice everything she learned to start her home-based business. She now sells her chocolates in her community alongside her husband, who, seeing her enthusiasm, joined her in helping to build a successful family business. Consequently, they are earning a higher income, and so are better able to support their children and Daniela's aging parents.

Strengthening families in India

Image above: Preety talking to her two children outside their house, Nagapattinam, India. © ***Maisie Marshall***

> **“I do not know where we would be without the support from SOS Children’s Villages, our lives would look very different. My children will have a better future and stronger opportunities.**
>
> **Preety, India**

SOS Children’s Villages UK, SOS Children’s Villages India and Herman Gmeiner Fonds Deutschland, are working in partnership to deliver a programme aimed at strengthening families in four locations across India — Begusarai, Bhopal, Faridabad and Nagapattinam.

This work is helping families and communities struggling with poverty: supporting families to earn a living; helping children stay in school; ensuring children have healthy food and healthcare; and investing in community infrastructure to sustainably support families.

In 2023, we assisted over 1,000 caregivers to generate income and increase their self-reliance, with a further 1,234 receiving financial literacy training, helping them to better manage their finances. In Begusarai, Nagapattinam and Bhopal over 99% of all primary caregivers we work with are now part of a self-help group, specifically designed to support families.

In addition, all school-age children on this programme are now either attending school or are supported through tuition classes. Across the four locations 4,417 children received school materials such as stationery, school bags and uniforms.

Through training and awareness sessions we helped those looking after children to better care for them. In Nagapattinam, 485 caregivers were trained in child health and nutrition, with the majority of parents we work with in Faridabad and Begusarai attending parenting skills classes. Additional nutritional support was also given to nearly 2,000 children, helping to prevent malnutrition.

Self-help groups driving change for families

Preety lives in Nagapattinam, a coastal town in the south of India. With limited education and work opportunities available to women in rural India, Preety had relied on her husband for financial support. Two years ago, Preety’s world shattered when her husband passed away, leaving her and their two children grieving and financially strained.

Preety found out about and joined a self-help group run by SOS Children’s Villages in India, finding solace from fellow members: **“I like that we get to help each other in self-help group meetings, we all feel part of a community. It is good to have other women supporting each other.”** Participating in training sessions, she also acquired valuable parenting skills and childcare insights. A turning point came when Preety ventured into cow-rearing, financially supported by SOS Children’s Villages. Preety then began a journey of development and is currently undertaking SOS Children’s Villages’ tailoring training. She now has enough income to manage household and school expenses and pave the way for her children’s success: **“My girl shared that she wants to become a teacher, my boy wants to become a police officer. I believe in their dreams and I am going to help them get there…I am so happy, my mind is peaceful now.”**

Image: Preety standing outside her house, Nagapattinam, India. © ***Maisie Marshall***

CARING FOR CHILDREN

The loss of parental care, whether due to unforeseen circumstances, abuse, or neglect, is a devastating experience for any child. In these challenging situations, it is crucial to ensure that children feel loved, cared for and protected so that they can grow and thrive, and this is where SOS Children's Villages comes in.

SOS Children's Village communities around the world provide high-quality, alternative care for children who have lost the support and security of their families. This ensures that children and young people can grow up with the healthy relationships they need to become their strongest selves.

Thanks to our 6,722 sponsors, in 2023, SOS Children's Villages UK ensured the provision of quality care and support for 4,194 children and young people across 111 different countries and territories. These children were loved and cared for in family-like environments within 431 different SOS Children's Village communities.

Cared for children across 111 countries

Supported the provision of quality alternative care for 4,194 children

Image above: Ludmilla kissing her grandson on the cheek, Ukraine. © ***Alea Horst***

Providing quality alternative care

Banner image: Haneen talking at a youth council event, Palestine. **© *Alea Horst***

At SOS Children's Villages, we always work in the best interests of each individual child. Usually, it is preferrable for a child or young person to remain with their family and community. However, we acknowledge that this is not always possible. In such cases SOS Children's Villages directly cares for the children within one of our families, or finds alternative forms of care such as with foster families. This ensures children grow up in loving, safe and nurturing environments.

In 2023, SOS Children's Villages UK supported children and communities across four continents, in places as diverse as Azerbaijan, Colombia, Ethiopia and Jordan. We provided love and support to children of all ages, helping them to develop the healthy relationships and connections they need to thrive, and grow into resilient and self-sufficient adults. These stories are examples of the care, support and guidance given by SOS Children's Villages.

Fred's story

Fred was just three years old when he and his sister came to live with Mama Harriet, their SOS Children's Villages caregiver. Fred's parents both died after long illnesses. Now he is older, Fred lives in a youth house in SOS Children's Village Gulu in Uganda. But his bond with Mama Harriet remains strong. **"Mum loves me so much and I know it."** says Fred. He also attributes his hard work and success in education to Mama Harriet. Her kind words of encouragement help him to succeed in his studies. **"My goal in life is to become a pharmacist. I've always wanted to make people feel better when they're sick."** explains Fred. Nothing seems to challenge his motivation. Even when he's sometimes discouraged, Fred knows he'll make it, as his SOS Children's Villages caregiver, Mama Harriet, believes in him.

Haneen's story

Haneen is 19 years old and lives in Hebron in the West Bank. She grew up in SOS Children's Village Bethlehem until she and her twin sister could be reunited with their biological family. She is an outspoken advocate for children's rights. Haneen speaks out on youth issues as a member of the Palestinian Children's Council, and she also spoke on a panel hosted by the United Nations Committee on the Rights of the Child in Geneva, Switzerland.

Haneen's interest in human rights, especially children's rights, started early. She was always excited about the different activities and project opportunities available at SOS Children's Villages and participated in everything possible. Speaking of her time at the SOS Children's Village she says: **"It was important for me to live with my siblings in the same house, to have them as a source of support, to be connected with them. When I grow up I would love to be a child rights defender. Just as the Village protected me, I want to protect other children."**

Penda's story

Fatou Ndiaye, a young single mother from Senegal, had a difficult and lonely pregnancy. Her baby, Penda, was weak and suffering from a severe vitamin deficiency when she was born. Fatou had no money and didn't know how to take care of her baby, so she reached out to SOS Children's Villages for help. Penda was placed with a short-term nursery where she received the necessary medical care. Fatou moved to Dakar and worked as a housekeeper, earning barely enough to support herself yet alone Penda. As Fatou's extended family were also unable to care for Penda, Penda was moved to a family home in SOS Children's Village Louga. Her caregiver engulfed her with affection and today Penda is healthy and happy.

Fatou meanwhile, is working on her dream of being able to live with and provide for her daughter, and she visits her when she can. The SOS Children's Villages team are supporting Fatou to improve her financial situation and providing her with advice to help her look after herself and her child. **"I can't wait to start raising Penda, to see her grow and flourish. We are relearning to know each other and to forge ties in anticipation of our reunification."**

The examples provided here are recent stories of children supported through SOS Children's Villages sponsorships, but due to the need to protect privacy, are not necessarily children supported directly by UK supporters.

Left image: Fred and his mother, Harriet laughting in their garden, Uganda. **© *SOS Children's Villages Uganda***

Reintegration in The Gambia and Zambia

> **I learnt SOS Children's Villages was reintegrating children back to their families and communities of origin, and I saw a chance to finally have baby Loveness live with us.**
>
> **Ms. Loveness, Zambia**

Throughout 2023 in Basse, The Gambia and Chipata in Zambia, we focused on providing extra support to families and communities, and where possible moving children out of the SOS Children's Villages and reintegrating them back into their communities. This means, as well as working to reunify more children with their biological parents, we sought alternative forms of care, such as kinship care, foster care or adoption, within the original communities of the children.

Kinship care is where a member of the child's extended family, such as an older sibling or grandparent, takes care of the child, and is an accepted practice in many places around the world. As a colleague from SOS Children's Villages Zambia told us:

> **Kinship care is a common practice that can be built on, supported, and strengthened to prevent child separation from their families.**

The process of reintegration is managed carefully. We collaborate with relevant authorities and involve social workers, educators and other childcare specialists. It includes preparing children and young people, their families and the wider community prior to reuniting the children and supporting them afterwards with ongoing contact and follow-up visits by social workers.

Children who can't be reintegrated with family members continue living happily in their SOS Children's Villages families, but increasingly we are now looking to integrate these families into communities.

Adopting baby Loveness

While doing her rounds in the hospital, Ms. Loveness Chongo heard the desperate cries of a newborn baby and learnt the sad story of a baby girl abandoned by her mother.

"I fell in love with her from that day, medical staff gave her my name after they saw how attached I was, and that's been her name since." Loveness said.

"When the day for her discharge from hospital came, I was devastated, but I knew that the right channels needed to be followed. Baby Loveness was handed over to the Government. Later on, I learnt she was staying in SOS Children's Villages," she added.

Baby Loveness was brought to SOS Children's Villages Chipata, Zambia, at just 12 days old.

Years passed, and baby Loveness grew into a spirited and curious young girl. Meanwhile, Ms. Loveness continued to visit her namesake whenever she could. After much contemplation, Ms Loveness made the life-changing decision to adopt Loveness and become her mother. Loveness, now seven years old, has blended in well with her new family, where she's found a new home and loving parents.

Banner image: A woman and child walking down a street, Zambia.© ***Paal Audestad***

YOUTH EMPLOYABILITY AND EDUCATION

Tackling global youth unemployment is crucial for sustainable development, and breaking cycles of poverty. SOS Children's Villages ensures young people in vulnerable situations have access to employability training, skills development and mentoring so they can have a bright and secure future.

With an estimated 23.5% of young people globally not in employment, training or education, it is particularly important to support those without, or who are at risk of losing, parental care. Young people without strong parental support are more likely to lack the essential guidance, life-skills and resources required to be self-reliant and create a successful future for themselves. Through providing employment and entrepreneurship opportunities, training and education, we help young people in vulnerable situations to escape poverty and gain the skills and confidence they need to enter the world of work.

In 2023, SOS Children's Villages UK reached over 6,800 young people, through funding youth employability, training and mentoring activities in 17 different countries.

We contributed to two global initiatives focused on youth employability, SOS Children's Villages' international YouthCan! partnership and Futuremakers by Standard Chartered programmes through which we reached 2,725 people. We also continued to deliver our Youth Training and Employability Programme in Basse, The Gambia (YTEP). As part of YTEP, this year 131 students from cohort two graduated; 138 students from cohort three finished their studies and started internships and 173 students enrolled onto cohort four in the Autumn and began their studies.

As part of SOS Children's Villages 'Digital Villages' initiative we provided IT skills and access to young people, including in Bo, Sierra Leone.

Delivered youth employability, skills and training in 17 countries

Contributed to two global youth employability initiatives

Image above: A young man welding in his shop, Bangladesh. © ***Pearl Sandhu and Nuzhat Nabilah***

Building brighter futures with Standard Chartered

In 2023, SOS Children's Villages UK strengthened its partnership with the Standard Chartered Foundation to support the employability of young people in Botswana, Côte d'Ivoire, Jordan, Mauritius, South Africa, Sri Lanka and The Philippines. This programme promotes financial independence and self-sufficiency among young people, and helps prepare them for the world of work through employment training, skills and mentoring. The programme is part of Futuremakers by Standard Chartered, a global initiative to tackle inequality by promoting economic inclusion for disadvantaged young people in markets where the bank operates.

As a result of participation in this programme, over a 12-month period we helped 2,241 young people to demonstrate an increase in employment-related knowledge, and 1,743 young people to improve their employment-related skills.

In particular, we supported young people without, or at risk of losing, parental care and focused on including a broad spectrum of participants. For example, this year around 52% of participants were young women and over 100 were young people with disabilities.

With support from Standard Chartered employee volunteers, young people were further assisted through initiatives such as mentors' dens, CV support, financial literacy training and advice on new business proposals. In Sri Lanka young people were invited to tour the Bank's offices where they had the opportunity to meet the employees from several different departments, which helped them gain confidence, skills and insights into the professional working world.

Thanks to this partnership, SOS Children's Villages was able to scale up the establishment and growth of the YouthLinks Community. This innovative online platform connects young people globally and links them with companies, with a view to increasing their employability and future life chances.

Starting out as a young entrepreneur

Kaone is a 25-year-old who grew up in SOS Children's Village Francistown, Botswana. Her experience on a Futuremakers project helped her set out on a path towards entrepreneurship.

"After graduating from university in 2021, I was optimistic about finding a job. However, I have been applying for many years without job opportunities coming up."

Kaone enrolled on the Collective Communities project, which supports young people with the knowledge and skills to enter decent work or start their own business. Entrepreneurship skills are incredibly useful for young people in Botswana, as small businesses are an important career path.

"After I completed the training, I began pitching my idea to potential funders and industry experts. I finally got an opportunity to pitch my idea to the director of a local college for mentorship and coaching."

> **"Through this training, I acquired the skills that assisted me in changing my mindset about venturing into a small business.**
>
> **Kaone, Botswana**

Image above: Kaone writing during a class exercise, Botswana. ***© SOS Children's Villages Botswana***

Preparing young people for the world of work through YouthCan!

Banner image: Young people preparing together for the YouthCan! Conference, Austria. © ***Magdalena Sikorska***

“Thank you to SOS Children’s Villages and our partners for believing in me and for giving me such a great opportunity in life

Lethabo, South Africa

SOS Children’s Villages UK continued our contribution to the dynamic global SOS Children’s Villages’ partnership YouthCan!. This initiative helps young people achieve self-reliance and a stable income, through developing skills and experience; building confidence and motivation; creating support networks; and accessing opportunities.

In 2023, YouthCan! around the world supported 17,800 young people assisted by over 1,700 corporate volunteers. Globally, after participation in the programme, 83% of young people feel they have the necessary skills to succeed in life and 80% are confident and motivated about their ability to find employment.

SOS Children’s Villages UK contributed to the success of YouthCan! in 2023 through key partnerships, providing funding of £74.6k towards projects in four countries.

In India, Bulgaria and The Philippines, we developed the employability skills of young people through corporate partner employees providing their time to share knowledge and experience, including through events such as CV surgeries, career guidance workshops and interview technique sessions.

In South Africa we prepared young people for the world of work and supported them to become resilient and independent adults through employability skills, direct work experience and mental health training. We provided mental health and psychosocial support to 201 young people across nine locations in South Africa.

Lethabo from South Africa completed a forklift driving course as part of YouthCan! He secured employment with a tyre company and now operates the forklift to offload tyres from trucks. **“Finding employment is very hard and I am grateful. I feel blessed.”**

PROTECTING CHILDREN IN EMERGENCIES

One in five children are fleeing or living in conflict zones, and many more are feeling the effects of natural disasters, drought or flooding. In countries experiencing crises, children are often the hardest hit. Protecting these young lives in emergency situations, looking after both their immediate survival needs and longer-term mental health and wellbeing, is vital to enable them to thrive in the future.

Around the world, war, natural disasters, the climate emergency and multiple overlapping crises have resulted in approximately 300 million people requiring humanitarian aid. In 2023, SOS Children's Villages responded to 32 crises in 38 different countries and territories around the world, including in response to the war in Sudan, the earthquake in Morocco and conflict in Gaza and Israel.

With a global presence in over 130 countries, we are uniquely positioned to take timely and effective action, helping communities become more resilient, keeping children — especially those without parental care — safe during crises, and supporting long-term recovery efforts.

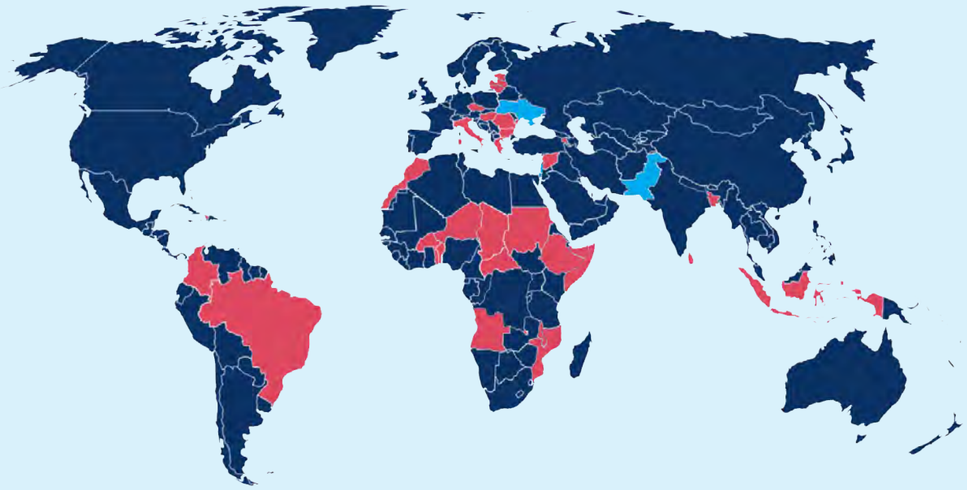
In 2023, globally SOS Children's Villages reached 1,385,800 people through humanitarian action and emergency response, including 774,800 children. SOS Children's Villages UK contributed to this, supporting global crisis programmes in Ukraine, Pakistan and the Middle East.

We also began a partnership with SOS Children's Villages Haiti and Italy to provide accessible mental health support to young adults and those taking care of them. This project is supported by Elrha's Humanitarian Innovation Fund (HIF), which aims to improve outcomes for people affected by humanitarian crises by identifying, nurturing and sharing more effective and scalable solutions. Elrha's HIF is funded by the UK Foreign, Commonwealth and Development Office (FCDO).

Image above: A child amidst destruction in Gaza. © ***Salah Hosny***

Global humanitarian response

Banner image: A woman walks down the street with her child after the Morocco earthquake.
© *Mosa'ab Elshamy*



Map key

- Countries/territories where SOS Children's Villages UK directly supported humanitarian responses.
- Other countries/territories with an active SOS Children's Villages humanitarian response in 2023.

Our work in emergencies is centred around providing emergency aid such as food, but also crucially around preventing family separation, reunifying families, and caring for unaccompanied and separated children — those most at risk during emergencies and in their aftermath. Recognising the long-lasting impact of trauma on children, we pay special attention to mental health and psychosocial support, delivering counselling and specific trauma support activities to help children and young people cope with the immediate situation and heal in the future.

In 2023, SOS Children's Villages UK spent £90k on humanitarian responses, contributing to collective SOS Children's Villages efforts. We continued to support children and families impacted by the war in Ukraine, as we marked over a year of this deadly conflict. We also contributed to aid efforts in response to the severe flooding in Pakistan. As renewed war broke out between Israel and Gaza towards the end of the year, we responded by raising funds and joining global calls for a ceasefire.

Money raised through our Emergencies Fund in 2023 will continue to be distributed to crisis situations where it is most needed throughout 2024.

Helping children and families affected by war

In 2023, the war in Ukraine continued to impact the lives of millions of Ukrainians, causing injury, death and damage to infrastructure, but also preventing children from attending school and traumatising a generation.

SOS Children's Villages in Ukraine supported families and children, including those displaced by the fighting: providing essential food and non-food items; helping reunite children with their families; creating child-friendly 'safe' spaces; and delivering mental health and psychosocial support to help children cope with trauma and stress caused by the war. In total they reached 246,251 people across 15 regions of Ukraine.

The war in The Gaza Strip, the West Bank and Israel had a devasting impact on millions of people during the last two months of 2023 and into 2024. Tens of thousands of people have been killed in Gaza and almost the entire population displaced and without food, shelter or water.

As with all violent conflicts, SOS Children's Villages is on the side of children and innocent civilians. SOS Children's Villages Palestine and SOS Children's Villages Israel have been caring for children for the past five decades. As this crisis escalates, colleagues in the region are doing what they can to protect children, support families and deliver emergency aid, and provide trauma counselling to those in their care.

In the UK, as well as raising funds to contribute to SOS Children's Villages' humanitarian response, we joined others in putting pressure on UK ministers and publicly calling for greater protection of civilians, respect for international humanitarian law and a ceasefire to allow vital humanitarian aid to reach those who need it.

Image: A father and his children sheltering after flooding in Pakistan. © *SOS Children's Villages in Pakistan*

Escape from Mariupol

> **“I prayed that, if a bomb hits us, we all die, so my children are not left on their own.**
>
> **Nadiya, Ukraine**

Since the conflict started, nearly two thirds of Ukraine’s children have been forced to leave their homes. An estimated 1.5 million children are at risk of post-traumatic stress and other mental health conditions.

Nadiya from Mariupol has three children: seven-year-old Anna, 12-year-old Mykola, and 29-year-old Ihor. The family had a normal life before the war started. When Mariupol was invaded by Russian forces, they were forced to flee. Under shooting by Russian troops and heavy shelling, including a bomb that destroyed the home they were in, they managed to escape with just the clothes on their back and their documents in a bag. Nadiya explains:

“As we walked, we saw killed people, burned vehicles. It was horrible! So many dead people in cars. I put my hands on my children’s eyes, so they wouldn’t see all this. Unfortunately, I couldn’t hide everything.

“I cried so much when we reached Zaporizhzhia. I cry each time I remember. When we got out of the occupied territory, and met our soldiers, I cried, I wanted to hug them.

“We settled here but knew no one. Then I stumbled on a group for internally displaced people. And that’s how I learned about SOS Children’s Villages and how I met my family advisor, Larysa.

“At first, I didn’t have high expectations. I thought maybe we’d get some humanitarian aid. Instead, all employees of this programme in Kyiv became like our family. And my children feel that strongly.”

“Anna shut within herself and was very jumpy and nervous. Since we started coming to SOS Children’s Villages, she’s more relaxed and she’s talking more openly. Mykola and I began seeing the psychologist together. After everything we’ve been through, he now sees himself as the man of the family and the one responsible to help me. He’s scared and traumatised too, but doesn’t want to show it.

“My children have individual and group classes in the programmes at SOS Children’s Villages. They feel very comfortable and relaxed here.

“I often call Larysa or the other employees of SOS Children’s Villages. They make me feel that we’re not on our own, that we have friends. I feel supported as a parent, I have someone to consult, to give me advice. That's very important to me.”

Image above: A drawing by a child, illustrating their experiance fleeing Mariupol, Ukraine. ***© SOS Children’s Villages Ukraine***

OUR ORGANISATION AND PEOPLE

Strengthening systems and processes

Throughout 2023, SOS Children's Villages UK continued to invest in and improve our systems and processes. In particular, we strengthened our cyber security, began embedding a new marketing platform as part of our Salesforce CRM system, and continued investment in our financial software (Accounting Seed). This enables us to understand our supporters better, improve our services to them, and improve efficiency, making us better able to raise the funds we need to support children and young people around the world in the future.

Thanks to some valuable pro bono consultancy support from our corporate partner Baringa, we led the development of an Environmental Sustainability and Climate Action Strategy for SOS Children's Villages globally, connecting with other colleagues across the Federation to lead a working group on this topic.

Protecting children and ensuring compliance

High standards of safeguarding are fundamental in supporting children to grow up feeling safe, loved and respected. We continued to make significant improvements both across the Federation, and in the UK, to ensure the safety of all those who come into contact with SOS Children's Villages, and in particular the children, young people and families we work with. SOS Children's Villages International continued to report on the progress it was making against its Safeguarding Action Plan, through its progress reports.

Read more on this progress: *Safeguarding Action Plan Progress Report.*

In 2023, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. We introduced a new policy to no longer allow UK sponsor visits to any of our programme or child sponsorship locations. In addition to the Safeguarding Committee of the Board of Trustees, which provides broader safeguarding guidance, reviews programme oversight responsibilities, and oversees donor and Charity Commission reporting, SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America child safeguarding and integrity network to share learning and best practice.

We receive and monitor regular incident reports from SOS Children's Villages International, and in particular those that relate to programmes we support. In 2023, we provided updates to the Charity Commission on the publishing of a report by an Independent Special Commission, which was set up to investigate allegations of safeguarding failures across the Federation. This report was published in June 2023 and no further Charity Commission updates were required.

For more information on safeguarding incidents across the Federation, please see: *the Child Safeguarding Annual Reports.*

Serious incident reports to the Charity Commission

In 2023, we continued to provide updates to the Charity Commission on an allegation of serious fraud, originally reported in 2021, involving at least one employee of SOS Children's Villages Zambia, one of our programme partners. These updates highlighted positive progress towards addressing this issue. We also reported a new incident relating to a theft of approximately £5k involving a staff member of SOS Children's Villages Zambia.

Additionally, we reported two further incidents: an incident involving SOS Children's Villages Russia, a member of the SOS Children's Villages Federation, caring for 13 Ukrainian children who had become separated from their caregivers; and an incident involving inappropriate behaviour of charity fundraisers who had been sub-contracted to work on behalf of SOS Children's Villages UK.

Supporting our staff

The work and achievements of SOS Children's Villages UK would not be possible without the passion, commitment and ambition of our staff team. In 2023, we employed an average of 27 people throughout the year.

SOS Children's Villages UK is committed to being a diverse and inclusive charity. We aim to demonstrate support for all our employees and volunteers, valuing each individual's contribution regardless of age, gender identity, sexual orientation, marital status, civil partnership status, disability, nationality, race, religion or belief. We are committed to providing equal opportunities for all employees and volunteers.

In 2023, we continued to support flexible working in order to recruit and retain the best staff. We also continued to provide a number of additional benefits to staff, including extra non-bank holiday working days during the office closure between Christmas and New Year; an Employee Assistance Programme; pension scheme; life assurance cover; travel loan; cycle to work scheme; enhanced sick and maternity pay; volunteer days and a sabbatical leave policy.

Information about our aims, activities and other relevant information was disseminated to all staff and volunteers through briefings, meetings and written documents. The Charity consulted with and involved all staff on key issues through regular team meetings, planning sessions and away days.

Top right image: Two girls walking down a street, Zambia. © ***Paal Audestad***

FUTURE GOALS AND PLANS

Image above: A boy blows bubbles outside his house, Greece. © ***Joel Sheakosk***

2024 objectives

1 **Working with other SOS Children's Villages and external partners, continue to support children and young people who have lost parental care and families at risk of breakdown, through the provision of quality alternative care and delivery of a range of programmes.** This includes initiatives aimed at strengthening families and family and community economic empowerment; providing employability and mentoring opportunities; and delivering humanitarian assistance for children and families impacted by humanitarian crises.

2 **In response to changes in our external environment, continue our shift away from the Village model of care towards longer-term, more sustainable programmes, supporting work directly with families and communities, including in The Gambia and Zambia.** Working in partnership with SOS Children's Villages colleagues in different locations, ensure the programmes being delivered are in the best interests of each child; are effectively designed, monitored and implemented; and contribute as part of SOS Children's Villages Strategy 2030.

3 **Begin to build partnerships and networks which lay the groundwork for new areas of research and advocacy activity.** Leverage SOS Children's Village's presence in the UK for the benefit of the Federation as a whole, and to inform the work of other iNGOs operating in the same or a similar space, while influencing decision-making and advocating for children and young people.

4 **Continue to invest in our people, systems, processes and operations, developing the infrastructure necessary to further strengthen our fundraising, programme delivery and safeguarding.** With the specific aims of continuing to ensure our unrestricted income is a minimum of 40% of our total income; making long-term commitments to the SOS Children's Villages programmes we support globally; raising awareness of the work we are doing; and working in partnership to amplify our impact.

THANK YOU
TO OUR SUPPORTERS

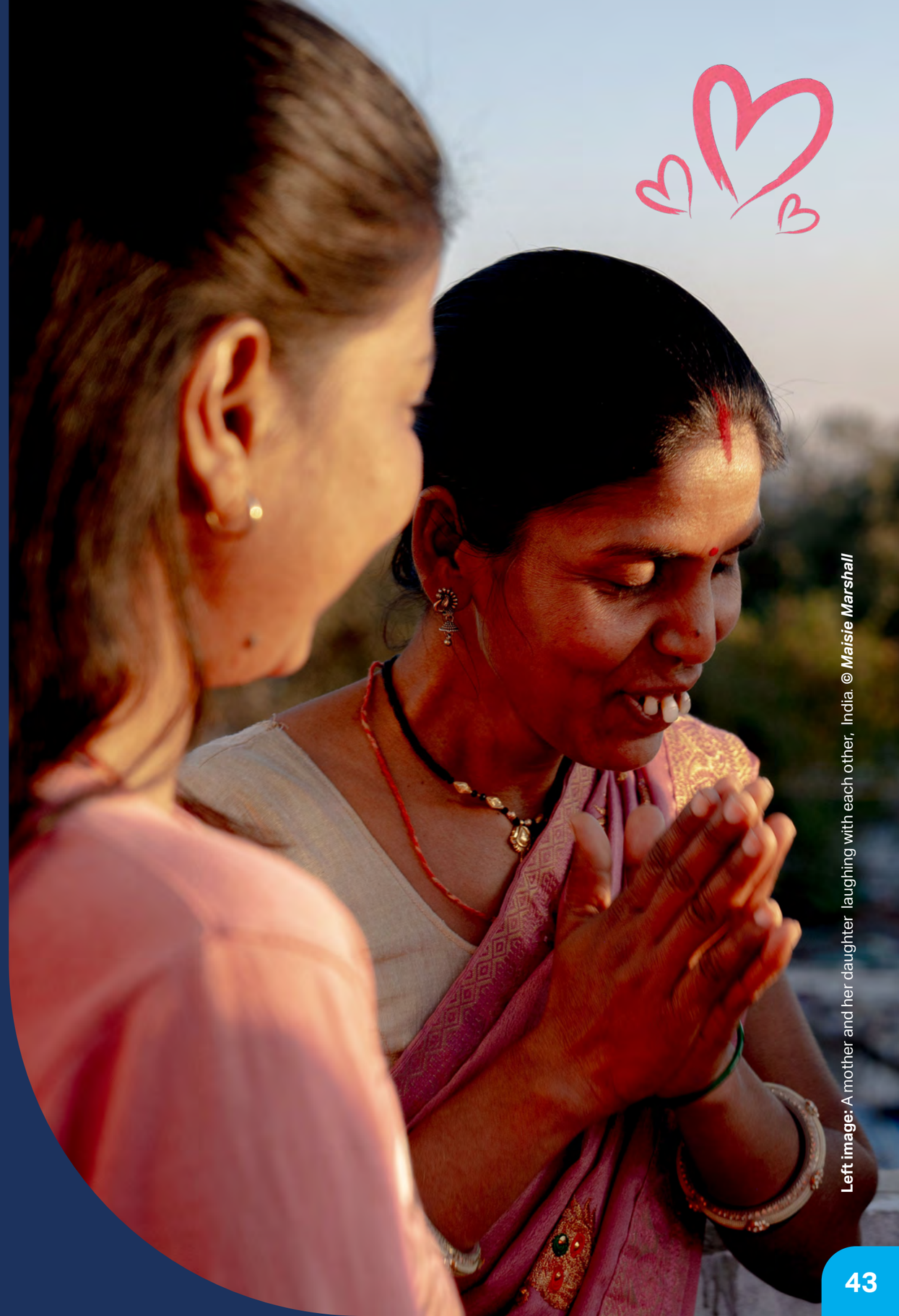
- Ali Family
- Baringa
- Christopher Keljik OBE
- DeMellier
- FactSet
- From Babies with Love
- Lines & Current
- M&G plc
- Mercury Phoenix Trust
- Michael Hewitt in memory of Professor Lis Mosekilde
- Pryke Family
- PDFoundation
- Pinsent Masons
- SOS Pakistan Supporters' Group UK
- Standard Chartered Foundation
- Subsea7
- tcc Foundation
- The Ahmed Family
- The Angela Webster Education Trust
- The Beatrice Laing Trust
- The Harrison-Frank Family Foundation
- Elrha's Humanitarian Innovation Fund

We'd like to say a huge 'Thank You' to all our supporters and partners, including those who wish to remain anonymous, for their continued generosity and commitment to our programmes.

The kindness, dedication and loyalty shown by supporters throughout 2023, another difficult year for many, was truly inspiring and we are immensely grateful. All donations help us to make a difference and ensure that children everywhere can grow up with the relationships they need to become their strongest selves and thrive in the future.

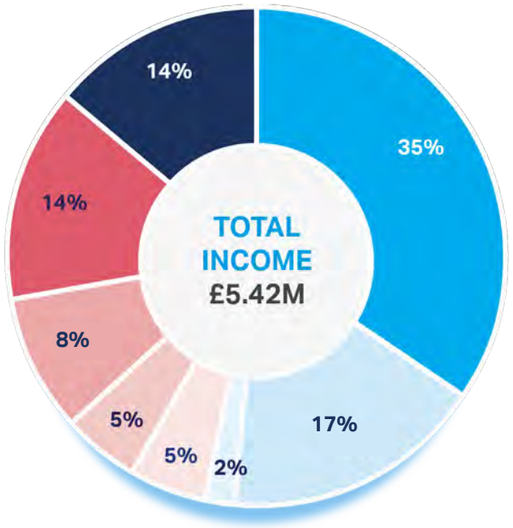
We also wish to show our appreciation for all those who raised awareness of our work and who fundraised by taking part in challenges, quizzes and other activities. In particular, we want to acknowledge the supporters who kindly gave and fundraised In Memoriam of a loved one or who left a gift in their Will for the work of SOS Children's Villages UK. Their legacy continues to make a lasting impact on the lives of children, their families and communities all over the world.

Thank you all for your kind support.

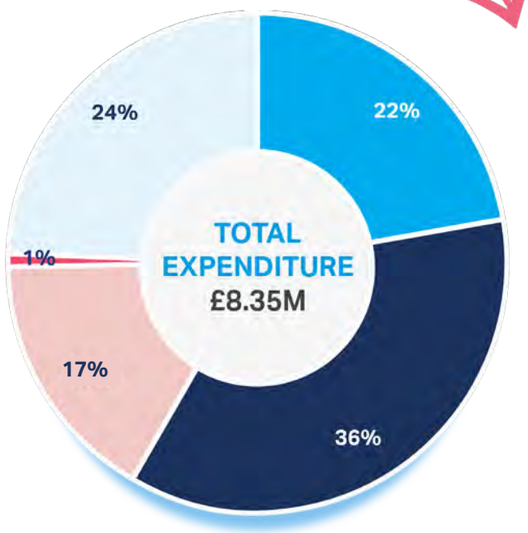


Left image: A mother and her daughter laughing with each other, India. © *Maisie Marshall*

FINANCIAL REVIEW



	2022	2023
Child and village sponsorships	30%	35%
Corporate partnerships	18%	17%
Trusts and foundations	10%	2%
Individuals and community groups	6%	5%
Legacies	22%	5%
Gift Aid	5%	8%
Institutional donors	5%	14%
Other income	4%	14%



	2023	2022
Keeping families together	22%	14%
Caring for children	36%	38%
Youth employability and education	17%	13%
Protecting children in emergencies	1%	8%
Fundraising, governance and support costs	24%	27%

How we spent your money

- 76p: Activities to support children, families and young people.
- 24p: Raising funds and support costs

Support and governance costs of £1,101,514 have been apportioned across charitable activities and raising funds.

SOS Children's Villages UK's reach continued to grow in 2023 as the Charity adapted and evolved to meet the rising challenges of several global crises.

Income

Total income in 2023 of £5.42m was £3.02m/36% lower than 2022's income of £8.44m. 2022 included a large one-off legacy donation of £2.95m to be allocated to work in India over a 3-year timeframe.

Income for 2023 was in line with, but slightly below, budget expectations. This was largely due to lower legacy income being received in 2023 than expected. We have been able to meet expectations in our other income streams in 2023 through the consistent generosity and loyalty of our supporters, as well as our ability to secure new partnerships with corporates, and trusts and foundations, and through investment in strengthening our fundraising to secure further income through programme funding opportunities.

As of 31 December 2023, the legacy pipeline held an estimated value of £0.4m. These are legacy gifts we have been notified of but which do not meet our recognition criteria for income in 2023.

Expenditure

Expenditure in 2023 at £8.35m was £1.31m/19% higher than 2022 spend of £7.04m. This is due to expenditure relating to the large one-off legacy donation received and recognised as income in 2022. Further breakdown of our expenditure is shown in notes 5-7 on pages 72-75.

Fundraising activities

In 2023 we continued to scale up our fundraising investment to enable the Charity's future income and impact to grow, with a particular focus on unrestricted funds and growing unrestricted regular giving, as well as raising our UK brand profile to appeal to new audiences with differentiated propositions.

Charitable activities

Despite receiving lower income in 2023 than in 2022, we have been able to increase the amount we have spent on our charitable activities. In 2023, we spent £6.31m (excluding exchange movement), an increase of 1.16m/23% on our 2022 spend on charitable activities. This is due to drawing down reserves received in prior years that were due to be spent in 2023.

As a result, we have been able to support more children globally, providing quality, alternative care, including in The Gambia and Zambia. Equally we continued to increase our focus on the prevention of situations in which children are at risk of losing parental care through family strengthening programmes that offer long-term, sustainable solutions, increasing our expenditure in this area by 0.88m/89% in 2023 over 2022.

Through our youth education, empowerment and employability programmes, we prepared young people to live independent lives and develop the skills to enable them to sustain their own livelihoods and families in the future. Spending in this area increased by 0.45m/48% in 2023 over 2022.

We were also able to respond to global crises, including through the Emergencies Fund created in 2022, with funds being made available to support work following floods in Pakistan in 2023 and for Ukraine. We also raised funds to aid humanitarian efforts in response to renewed war in the Middle East.

Reserves

The 31 December 2023 unrestricted reserves position is £1.9m which is classified as follows:

Designated Funds — As of 31 December 2023 the Charity had one designated fund which was created, at the discretion of the Trustees, to protect against any potential foreign exchange losses. It continues to be maintained at 2022 levels and the fund balance was £206k.

General Funds — The Board of Trustees requires the Charity to maintain readily accessible assets sufficient to fund between 6 and 9 months of running costs. In 2023 this equated to £1.22m - £1.82m, and as at 31 December 2023, the net operational reserves were £1.9m which provided a 9-month cover of running costs.

Included in the above, is £0.34m to ensure we can fulfil our obligations to safeguard two specific programmes, in Chipata, Zambia, and Basse, Gambia, protecting the future of the children and families in those programmes.

Investments

Investments are overseen by the Finance and Audit Committee. Professional Fund managers have been appointed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

As at 31 December 2023, the value of our investment portfolio was £1.28m, an increase of £0.05m/4% over 2022. During 2023 we moved £0.23m from a short-dated corporate bond portfolio into our main equity growth portfolio. At the end of 2023 the Charity had one portfolio.

How we raise money

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this, we work in close partnership to build transparent relationships with our donors, and with the SOS Children's Villages programme teams, aiming for accountability in all that we do.

Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018 and the Code of Fundraising Practice.

In 2023, we continued to ensure open dialogue and clear lines of communication with our donors. This included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators.

As we work with children and families in very disadvantaged areas, including in wars, disaster zones and crises, the work of SOS Children's Villages is complex and challenging — and our reporting reflects this.

We work with fundraising agencies to promote our cause and raise funds for our vital work. In 2023 we worked closely with our agencies to review and strengthen our training and monitoring processes and to ensure high quality and effective fundraising.

Many of our individual supporters carry out fundraising events to raise money for SOS Children's Villages. To support them in their fundraising activities we provide them with an agreement showing how they should promote their activity; guidance on how to fundraise effectively and without undue pressure; information on how the funds raised will be spent; and we ensure they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. They are given a named contact at SOS Children's Villages UK to support them and answer any questions.

We monitor and review activities undertaken in support of SOS Children's Villages UK, through supporter feedback, tracking online activity, prompt follow-up after fundraising activities have taken place and ongoing dialogue.

Our staff receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate supporters who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person's privacy or is unreasonably persistent in their actions, so as to protect vulnerable people, as reflected in our written agreements with our partners.

Image: A woman holds a young girl hands, Zimbabwe. © ***Kaia Means***

Corporate commercial participators include:

Lines & Current donates 10% of profits to SOS Children's Villages UK every year, donated quarterly. DeMellier donates £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually. Humble warrior donates 2% of its revenues annually. Donations are paid annually.

All partnerships are formalised through a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children's Villages UK is not aware of any complaints raised regarding any of these activities undertaken by our corporate partners. All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice.

SOS Children's Villages UK is not aware of any complaints raised regarding any employee fundraising activities. Our Board of Trustees approved a new Ethical Partnerships Policy in June 2023, which sets out the criteria for determining whether we can accept donations. This is reviewed on an annual basis to ensure it is kept up to date. Further information including a link to the Ethical Partnerships Policy can be found on our website: *www.soschildrensvillages.org.uk/how-you-can-help/partner-with-us/.*

We received 209 complaints about our fundraising activities in 2023, showing a decrease of 24 compared to 2022. All complaints were resolved to the satisfaction of the individuals raising the issues except one, which was escalated by the complainant to the Fundraising Regulator.

The Fundraising Regulator found that fundraisers working on behalf of SOS Children's Villages UK had breached the Code of Fundraising Practice twice in one interaction with the complainant, relating to disengaging from conversation and politeness. The Fundraising Regulator also found that SOS Children's Villages UK had treated the complainant fairly and reached a reasonable conclusion, taking appropriate remedial action, which included an apology to the complainant and re-training of fundraisers.

We learn from all complaints we receive and monitor these on an ongoing basis to ensure we continually improve areas in need of addressing. This year we have increased our 'spot-checks' on fundraising teams for example.

Throughout 2023 we continued to engage in public-facing fundraising activities, such as Face-to-Face, Door-to-Door, and private site fundraising. These activities helped us increase our supporter numbers significantly.

As part of our current three-year strategy, we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of an increasingly unpredictable fundraising environment due to the ongoing cost-of-living crisis and global developments, including the continuing war in Ukraine.

We are immensely grateful to all our donors, who make the work of SOS Children's Villages possible.

If you have any questions about any aspect of our fundraising, please don't hesitate to get in touch with Susanne Owers, Director of Development, at susanne.owers@sosuk.org.

Banner image: *An* SOS Children's Villages social worker talking to a woman in one of our programmes, Uganda.
© Agnete Schlichtkrull

RISK MANAGEMENT AND INTERNAL CONTROLS

The risks the Charity faces are formally reviewed twice a year by Trustees and regularly by the Senior Management Team. Any new risks that are identified are assessed in terms of the likelihood of their occurrence and their potential impact, to rank all risks. Significant risks are highlighted for consideration and monitoring by the Finance and Audit Committee and reported to the Board of Trustees twice a year through our risk register. The Senior Management Team takes the lead in terms of day-to-day management of these and other operational risks and reports on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

The Charity operates a comprehensive annual planning and budgeting process, which is approved by the Trustees. Performance is monitored by financial targets and other key performance indicators. Reports are made to the Trustees which compare actual results against the phased budget, and which link financial and other performance with resource and activity levels.

As part of their audit of the financial statements, the Charity's Auditors review the internal controls. SOS Children's Villages UK does not have dedicated internal auditors, although an internal audit function exists at the International Office and there is potential to be internally audited by them in 2024.

Below is a list of five major risks we have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
Economic downturn due to continued uncertainty and volatility in the UK and global economies with potential to negatively impact Charity's finances.	• Regular review of management accounts and fundraising pipeline. • Regular production of updated forecasts and cashflow forecasts allowing discussion of any actions needed. • Attendance at Charity Commission and network briefings. • Investment in donor retention through donor journeys (Marketing Cloud).
Reputational risk arising from the actions or omissions of other SOS Children's Villages Member Associations or the General Secretariat.	• Maintain close working relationship with General Secretariat Communications Team. • Contribute to Secretariat Crisis Communications Planning. • Establish and maintain good working relationships with key media outlets. • Develop staff understanding of SOS Children's Villages' work, strengths, and challenges. • Crisis Communications process rolled out to staff.
Child or vulnerable person safeguarding incident.	• Child and Vulnerable People Safeguarding Policy in place and implemented, alignment with new international standard. • Safeguarding Committee meeting regularly. • Staff and Trustee training. • New staff induction. • Legal advice taken on Charity Commission serious incident reporting guidance. • Safeguarding responsibilities included in partner Memorandum of Understandings. • New Safeguarding and Compliance Manager taken up post in January 2024.
Breach of legal or compliance obligations resulting in regulatory sanctions and or reputational risk.	• Control procedures in place for approving financial transactions, GDPR, Health and Safety. • Oversight controls in place for third parties and subcontractors which are reviewed regularly. • Annual audit. • Regular Audit and Risk Committee meetings reporting to the Board of Trustees. • Expert staff in post, subject to regular review. • Reports to the Board. • Legal advisers in place. • Safeguarding and Compliance Manager in post.
Failure to meet income targets impacting the long-term financial sustainability of the Charity.	• Monthly management account reporting to Senior Management Team to identify challenges and take mitigating actions. • Quarterly reporting to the Board of Trustees. • Fundraising strategy to spread risk and return across donor segments. • Minimum Reserves levels set by Board.
Data (or cyber) security breach or loss of data resulting in reputational damage with our supporters and regulatory bodies.	• Appropriate security in place e.g. passwords, restricted access. • Firewall and servers are monitored regularly by outsourced IT support. • GDPR policy in place. • Separate Office 365 tenant not linked to International Office's. • Communications strategy for informing donors and authorities. • Appropriate insurance cover secured under a combined policy. • Training on social engineering and cyber security risks rolled out to all staff.

STRUCTURE GOVERNANCE AND MANAGEMENT

Charitable Objects

The objects of the Charity are set out in the Articles of Association, which were revised and agreed by the Board of Trustees in December 2017. In summary, these are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by the establishment and maintenance throughout the world of SOS Children's Villages and the education of children and young persons from SOS Children's Villages.

SOS Children's Villages Federation

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. We support a variety of programmes helping children, young people and families in different countries around the world, and we have a long-standing commitment to The Gambia and Zambia in particular, where we support a range of programme activities.

Board of Trustees

SOS Children's Villages UK is governed by a Board of Trustees, which in 2023 consisted of 10 members, who are legally responsible for directing the affairs of the Charity and are also the directors of the company for the purposes of the Companies Act 2006. Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. They are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees.

Five new trustees took up their responsibilities in 2023, bringing additional skills and knowledge to the Board, in particular in the areas of finance, HR and communications. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background in order to support the Charity's operations. The selection was supported by an external agency with a commitment to inclusive recruitment.

Policies and procedures for the induction and training of trustees

The Trustee induction and training programme is comprised of a variety of activities spread over a period of time, including:

- meetings and introductions to other trustees, employees and beneficiaries invitations to events, meetings and presentations
- a trustee induction pack
- access to relevant training, including through National Council for Voluntary Organisations (NCVO).

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board delegates day-to-day management of the Charity through the Chief Executive Officer to the Senior Management Team, while delegating specific responsibilities to the Board's sub-committees:

- **The Finance and Audit Committee** meets at least four times a year to review the Charity's annual financial statements; internal financial control and risk management systems; and external and internal audit matters.
- **The Human Resources Committee** meets at least twice a year to oversee the Charity's people management policies, remuneration, and best practice implementation.
- **The Safeguarding Committee** meets at least twice a year to oversee the Charity's safeguarding, duty of care, and review outcomes and reporting.

The Trustees do not receive any remuneration for their services. Trustees may claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties. The members of the company comprise all of the Trustees. The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role. Remuneration for the Senior Management Team is set by the Chief Executive Officer, in accordance with the Pay Policy agreed by the Board of Trustees.

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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 2019).

Public Benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102. The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

SOS Children's Villages UK fulfils the public benefit by the relief of poverty, and improvement of poor education and health outcomes for children and their families. Details about the specific programmes pursued can be found throughout this report.

PRESIDENT

Dame Mary Richardson DBE

BOARD OF TRUSTEES

CHAIR

Harpinder Collacott

VICE-CHAIR/TREASURER

Matthew de Villiers (resigned 07 December 2023)

Suli Hampson (appointed 13 April 2023, Vice-chair from March 2024)

BOARD MEMBERS

Graham Budd

Ian Briggs

Janet Reilly (appointed 13 April 2023)

Jon Steinback (appointed 13 April 2023)

Kim Bowden (appointed 07 December 2023)

Louise McDonald (appointed 13 April 2023)

Nicola Robert (resigned 13 July 2023)

Solava Ibrahim

COMPANY SECRETARY

Alison Wallace, Chief Executive Officer (from 03 February 2023)

SENIOR MANAGEMENT TEAM

Alison Wallace, Chief Executive Officer

Susanne Owers, Director of Development

Sarah Bradford, Director of Communications and Brand (appointed 06 February 2023)

Craig Mullaly, Director of Individual Giving

Andrew Grieve, Director of Finance and IT (appointed 30 October 2023)

Evgeny Dmitriev, Interim Director of Finance and IT (contracted from 13 February 2023 to 14 July 2023)

Begay Jabang, Director of Finance and IT (resigned 9 February 2023)

DISCLOSURE OF INFORMATION TO AUDITORS

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.

ORGANISATIONAL DETAILS

Registered office:
Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent Auditors:
Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Principal Bankers:
Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:
Mishcon de Reya
Four Station Square
Cambridge
CB1 2GE

Company Registered No. 03346676

Charity Registered No. 1069204

Trustees' Responsibilities

Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Charity. In preparing the financial statements, the Board of Trustees is 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 assume that the Charity will continue its activities
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These must be sufficient to show and explain the Charity's transactions. They should disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that its financial statements comply with the Companies Act 2006. The Trustees have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity, and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 10 July 2024. Signed on its behalf on 10 July 2024.

by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Annual Report 2023

SOS CHILDREN'S VILLAGES
UNITED KINGDOM

FINANCIAL STATEMENTS

Statement of Financial Activities
(including Income and Expenditure account)

For The Year Ended 31 December 2023

	Note	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Donations and legacies	2	2,600,528	2,603,301	**5,203,829**	**8,135,023**
Other income	2	0	0	**0**	**287,482**
Investments	4	0	80,308	**80,308**	**18,938**
Foreign Currency Gain		0	137,237	**137,237**	**0**
TOTAL INCOME		**2,600,528**	**2,820,846**	**5,421,374**	**8,441,443**
EXPENDITURE					
Raising funds and support costs	5	79,442	1,958,368	**2,037,810**	**1,894,414**
Charitable activities	5	4,400,858	1,909,570	**6,310,428**	**5,148,569**
TOTAL EXPENDITURE		**4,480,300**	**3,867,938**	**8,348,238**	**7,042,983**
Net gains/(losses) on investments	11	0	50,522	**50,522**	**(24,937)**
NET EXPENDITURE IN THE YEAR AND NET MOVEMENT IN FUNDS		**(1,879,772)**	**(996,570)**	**(2,876,342)**	**1,373,523**
Reconciliation of funds: Total funds at 1 January 2023	14	**3,939,327**	**2,896,610**	**6,835,937**	**5,462,414**
TOTAL FUNDS AT 31 DECEMBER 2023	14	**2,059,555**	**1,900,040**	**3,959,595**	**6,835,937**

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance Sheet
as at 31 December 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible Assets	10	**258,102**	**293,527**
Tangible fixed assets	10	**21,271**	**15,974**
Investments & long term deposits	11	**1,278,820**	**1,228,253**
TOTAL FIXED ASSETS		**1,558,193**	**1,537,854**
CURRENT ASSETS			
Debtors	12	**572,992**	**975,933**
Cash at bank and in hand		**3,182,313**	**5,572,593**
TOTAL CURRENT ASSETS		**3,755,305**	**6,548,526**
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	**(1,353,903)**	**(1,250,443)**
NET CURRENT ASSETS		**2,401,402**	**5,298,138**
TOTAL NET ASSETS		**3,959,595**	**6,835,937**
FUNDS OF THE CHARITY			
Restricted income funds	14	**2,059,555**	**3,939,326**
Unrestricted income funds	14	**1,900,040**	**2,896,611**
TOTAL CHARITY FUNDS		**3,959,595**	**6,835,937**

The attached notes on pages 65-83 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 10 July 2024 and signed on their behalf by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

Statement of Cash Flows

For the year ended 31 December 2023

	Total 2023 £	Total 2022 £
Net (expenditure)/income for the year (as per the Statement of Financial Activities)	**(2,876,342)**	**1,373,523**
Adjustment for:		
Depreciation of fixed assets	**66,462**	**4,554**
(Gain)/Loss on investments	**(50,522)**	**24,937**
Dividends, interest and rents from investments	**(80,308)**	**(18,938)**
Decrease in debtors	**402,896**	**2,140,086**
Increase in creditors	**103,460**	**118,520**
Net cash (used in)/provided by Operating Activities	**(2,434,355)**	**3,642,682**
Cash Flows from Investing Activities		
Bank interest received	**80,308**	**18,938**
Purchase of Fixed Assets - Tangible	**(7,133)**	**(3,267)**
Purchase of Fixed Assets - Intangible	**(29,100)**	**(168,645))**
Net cash provided by / (used in) Investing Activities	**44,075**	**(152,974)**
Change in cash and cash equivalents in the year	**(2,390,280)**	**3,489,708**
Cash and cash equivalents brought forward	**5,572,593**	**2,082,885**
Cash and cash equivalents carried forward	**3,182,313**	**5,572,593**

The notes on pages 65 to 83 form part of these accounts

Notes to the Financial Statements

For the year ended 31 December 2023

SOS Children's Villages UK is incorporated in the United Kingdom as a company limited by guarantee, company number 03346676 and is a registered charity in England and Wales, registration number 1069204. SOS Children's Villages UK is a Public Benefit Entity whose registered office and operational address is Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB.

Note 1

1. Accounting policies

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) for Accounting and Reporting by Charities, the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

BASIS OF CONSOLIDATION

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 18. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

GOING CONCERN

A going concern review process is in place which includes a 3-year financial projection and scenario planning of income and expenditure and levels of reserves forecast. The financial plan takes into consideration the current economic and geo-political conditions and their impact on our main income streams and consequent implications for fundraising investment as well as normal spend levels. The Trustees are regularly monitoring the Charity's finance as well as key risks and therefore have a reasonable expectation that SOS Children's Villages UK has sufficient resources to continue in operational existence for the foreseeable future and they consider that there are no material uncertainties about the Charity's ability to continue as a going concern and these accounts have therefore been prepared on this basis.

1. Accounting policies (continued)

1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 10 members of the company being the Trustees named on page 54. The registered office address is also shown on page 54. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the purposes they have been raised by the Charity and are shown as restricted funds in the statement of financial activities. An analysis of the movements on restricted funds is set out in Note 14 after allowable expenditure has been applied. Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and a contingency fund for other unidentified operational issues.

2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:

a.) Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income.

b.) The Trustees anticipate the designated reserves to be fully utilised over the coming next three years. An analysis of the movements on unrestricted funds is set out in Note 14.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations and grants received during the year are fully accounted in that year unless they are subject to performance-related conditions or other terms and conditions that may prevent income recognition. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and are treated as unrestricted income unless otherwise specified by the donor and is recognised at the time of the donation. Legacies are recognised when receipt is reasonably certain, and the amount can be reliably measured. Receipt of a legacy, in whole or in part, is only considered reasonably certain when the charity has been notified of the executor's intention to make a distribution following the agreement of the estate's accounts. Where the Charity is aware of the granting of probate, but the final or interim estate accounts have not been received to determine amounts receivable, then the legacy is treated as a contingent asset and disclosed if material. However, income relating to both pecuniary and residuary legacies is accrued if the amount is material and the Charity has received evidence to support its receipt within six months of the year end. Gifts in kind i.e. goods, facilities and services donated for the Charity's use, are included at a value equivalent to that which the Charity would ordinarily incur on them and, are recognised in the Financial Statements, as both income and expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Governance costs are allocated to the applicable expenditure headings. Charitable expenditure relates to work undertaken by the Charity, in supporting children and Children's Villages in which children without parental care live, delivering family strengthening and youth empowerment programmes, responding to emergencies, sector strengthening and capacity building. Expenditure on charitable activities includes both costs that can be directly allocated as well as costs of an indirect nature such as support costs incurred to provide the infrastructure and critical Finance, HR, admin and IT service as well as a share of the governance costs. The costs of raising funds relate to the costs incurred by the Charity on activities to generate donations, grants and legacies and to keep donors informed about our work. Costs are made up of salaries of people working on fundraising, supporter care and the direct costs of running fundraising campaigns as well as the indirect costs necessary to support fundraising activities. Support costs comprise the infrastructural and organisation services that support the charitable activities. i.e. the salary of the support functions such as Finance, IT, Human Resources & Admin, the Chief Executive's Office, rent, office running cost and the fee paid for being a member of the SOS Children's Villages Federation. Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include a percentage of salaries for time spent on governance, company secretarial and external audit costs, legal, tax advice, meeting costs of the Board and its Committees and an allocation of support costs.

1. Accounting policies (continued)

1.6 BASIS OF EXPENDITURE ALLOCATION

The greatest proportion of the Charity's expenses are directly attributable to either raising funds or specific charitable activities. The remaining costs relate to support and governance costs which support more than one activity and are as a result allocated to raising funds and charitable activities based on staff time. The basis of cost expenditure allocation is reviewed periodically for reasonableness.

1.7 TANGIBLE & INTANGIBLE FIXED ASSETS AND DEPRECIATION

All items costing more than £1,000 and are expected to have an economic useful life beyond 1 year are capitalised. Tangible and Intangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible Assets - Furniture & Fittings 10% per annum
Tangible Assets - Office Equipment 20% per annum
Tangible Assets - Computer Hardware 20% per annum
Intangible Assets - Software 14%-20% per annum

1.8 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the Statement of Financial Activities.

1.9 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straightline basis over the lease term.

1.10 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.11 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

1.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 PENSIONS

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

1.16 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, at the bid rate. All other assets and liabilities are recorded at cost which is their fair value.

1.17 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities in the year (2022: Nil). Income Tax incurred by deduction is reclaimed in full from HMRC. SOS Children's Villages UK is registered for VAT.

1. Accounting policies (continued)

1.17 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies described above, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting estimates that have an effect on the amounts recognised in the financial statements are described in the accounting policies and detailed in the relevant notes to the accounts:

a.) grant, legacy and gift in kind income are detailed in Note (2)

b.) The allocation of support costs which requires a judgement on the most appropriate basis to apportion costs and are detailed in Note (6)

c.) accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

Note 2 Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Gifts and donations	2,559,574	1,887,480	**4,447,054**	**5,838,858**
Legacies	30,796	246,174	**276,970**	**1,854,426**
Gift Aid	10,158	469,647	**479,805**	**441,738**
Total donations and legacies	**2,600,528**	**2,603,301**	**5,203,829**	**8,135,023**

Note 3 Other Income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other Income	0	0	**0**	**287,482**

In 2022 the Charity received £287,482 from another member of the federation under a funds swap arrangement, £nil received in 2023.

Note 4 Investment Income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest receiveable	0	80,308	**80,308**	**18,938**
Investments	0	**80,308**	**80,308**	**18,938**

Note 5 Analysis of Expenditure - 2023

	Activities directly undertaken 2023 £	Support costs 2023 £	Total 2023 £
Cost of raising funds:			
Costs of raising donation income	913,966	304,590	**1,218,556**
Exceptional investment in fundraising strategy	819,254	0	**819,254**
Total cost of raising funds	**1,733,220**	**304,590**	**2,037,810**
Charitable activities:			
Caring for children	2,672,588	300,472	**2,973,060**
Keeping families together	1,593,329	278,354	**1,871,682**
Youth employability and education	1,171,021	204,713	**1,375,734**
Protecting children in emergencies	76,567	13,385	**89,952**
Total Charitable Activities before exchange movements	**5,513,504**	**796,924**	**6,310,428**
Total Expenditure	**7,246,724**	**1,101,514**	**8,348,238**

Support costs include the impact of an exchange gain of £137,237 (in 2022 a loss of £68,839). Refer to note 6 for a further breakdown of Support Costs

Analysis of Expenditure - 2022

	Activities directly undertaken 2022 £	Support costs 2022 £	Total 2022 £
Cost of raising funds:			
Costs of raising donation income	806,959	329,081	**1,136,040**
Exceptional investment in fundraising strategy	758,374	0	**758,374**
Total cost of raising funds	**1,565,333**	**329,081**	**1,894,414**
Charitable activities:			
Caring for children	2,346,516	329,013	**2,675,529**
Keeping families together	868,349	121,754	**990,103**
Youth employability and education	816,204	114,443	**930,647**
Protecting children in emergencies	424,000	59,451	**483,451**
Total Charitable Activities before exchange movements	**4,455,069**	**624,661**	**5,079,730**
Exchange gain	0	68,839	**68,839**
Total Charitable Activities after exchange movements	**4,455,069**	**693,500**	**5,148,569**
Total Expenditure	**6,020,402**	**1,022,581**	**7,042,983**

Support costs include the impact of an exchange loss of £68,839 (in 2021 a gain of £145,747). Refer to note 6 for further breakdown of Support Costs.

Note 6 Support costs - 2023

	Raising funds 2023 £	Charitable activites 2023 £	Total funds 2023 £
Personnel costs	79,442	86,608	**166,050**
Premises cost	39,167	22,822	**61,989**
IT & website costs	38,272	22,300	**60,572**
Other support costs	147,709	474,844	**622,553**
Governance (note 7)	0	190,351	**190,351**
Total	**304,590**	**796,924**	**1,101,514**

Support costs - 2022

	Raising funds 2022 £	Charitable activiites 2022 £	Total funds 2022 £
Personnel costs	136,067	79,284	**215,351**
Premises cost	36,991	21,554	**58,545**
IT & website costs	28,003	16,317	**44,320**
Other support costs	128,019	411,547	**539,566**
Governance (note 7)	0	164,799	**164,799**
Total	**329,081**	**693,500**	**1,022,581**

Support costs are allocated across charitable activities using staff time as the basis. Support costs comprises management administrative and governance costs, which are made up of Chief Executive, Communications and Brand, Finance, Information Technology, Human Resources and office running costs. Included in Other support cost is the membership fee the Charity pays to be part of the federation and, in 2023, the amount came to £242,098 (2022 £200,100). In 2023, membership fees have been apportioned based on the time spent by the International Office on various activities which is different to the previous year, which was the time spent by SOS Children's Villages UK staff on various activities.

Note 7 Governance

	Raising funds 2023 £	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	0	119,331	**119,331**	**115,874**
Chair recruitment	0	29,854	**29,854**	**0**
Auditors' remuneration	0	23,453	**23,453**	**25,604**
Legal fees	0	8,498	**8,498**	**18,794**
Meetings	0	5,558	**5,558**	**0**
Other	0	3,656	**3,656**	**4,527**
Total	**0**	**190,351**	**190,351**	**164,799**

Note 8 Net expenditure / (income)

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets owned by the Charity	**1,936**	**4,554**
Auditors' remuneration	**23,453**	**25,604**
Operating lease payments	**56,623**	**52,641**
Pensions and other costs	**53,270**	**43,006**
Foreign exchange loss / (gain)	**(137,237)**	**68,839**

Note 9 Staff costs

	2023 £	2022 £
Wages and salaries	1,094,547	981,145
National Insurance costs	118,174	111,995
Pensions and other costs	48,642	43,006
Total	1,261,363	1,136,146

No severance payments were made to any employees in 2023 (2022: £Nil).

Average number of staff employed

The average monthly number of employees during the year was as follows:

	2023	2022
Fundraising	11.70	13.40
Programme Management	4.60	1.00
Communications	3.10	2.80
Finance / IT & Admin	7.10	6.90
Total	26.50	24.10

The key management personnel of the Charity comprises the Trustees and 6 others (2022: 5) being the Chief Executive Officer, the Director of Finance and IT (of which there were 2 post holders during 2023), the Director of Development, the Director of Individual Giving and the Director of Communications and Brand. No Trustees received any remuneration or benefits in kind from the charity (2022 - none). The total employee benefits of the key management personnel of the charity comprised of their salary, employer national insurance and pension contributions and was £392,434 (2022 - £414.237).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2023	2022
In the band £60,000 - £70,000	2	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	1

Total employer's pension contributions in relation to the above higher paid employees was £16,807 (2022: £16,213).

Note 10 Tangible and Intangible fixed assets

	Tangible fixed assets			Intangible fixed assets	Total fixed assets	
	Furniture & fittings £	Computer Equiment £	Total £	Computer software £	2023 Total £	2022 Total £
COST:						
At 1 January 2023	9,962	52,619	62,581	293,527	**356,007**	
Additions	0	7,133	7,133	29,100	**36,235**	
At 31 December 2023	9,962	59,752	69,714	322,627	**392,242**	
DEPRECIATION:						
At 1 January 2023	3,338	43,169	46,507	0	**46,507**	**41,953**
Charge for the year	662	1,274	1,936	64,525	**66,362**	**4,554**
At 31 December 2023	**4,000**	**44,443**	**48,443**	**64,525**	**112,969**	**46,507**
NET BOOK VALUE:						
At 31 December 2023	**5,962**	**15,309**	**21,271**	**258,102**	**279,371**	
At 31 December 2022	**6,624**	**9,350**	**15,974**	**293,527**	**309,601**	

Note 11 Investments

	Listed investments 2023 £	Listed investments 2022 £
MARKET VALUE:		
At 1 January	1,228,353	1,253,290
Additions	231,401	0
Disposals	(231,401)	0
Unrealised (loss)/gain on investments	50,467	(24,937)
At 31 December	**1,278,820**	**1,228,353**
Comprising of:		
Fixed interest	0	255,601
Equities	1,278,820	972,753
Total market value	**1,278,820**	**1,228,353**
Total historical cost of investment	**1,000,000**	**1,000,000**

Note 12 Debtors

	2023 £	2022 £
Other debtors	**76,389**	**81,840**
Prepayments and accrued income	**460,381**	**820,157**
Tax recoverable	**36,222**	**73,936**
Total	**572,992**	**975,933**

Note 13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**92,141**	**9,301**
Other taxation and social security	**59,439**	**59,929**
Other creditors	**140,850**	**43,896**
Accruals	**1,061,473**	**1,137,318**
Total	**1,353,903**	**1,250,443**

Note 14 Statement of funds

2023	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS					
General fund	2,691,026	2,820,846	(3,867,938)	50,522	1,694,457
Foreign exchange reserve	205,584	0	0	0	205,584
Unrestricted funds sub total	2,896,610		(3,867,938)	50,522	1,900,041
RESTRICTED FUNDS					
Zambia	46,854	25,110	(25,110)	0	46,854
Gambia - YTEP Project, Basse	58,285	145,409	(200,909)	0	2,785
Sponsorship fund	135,465	1,712,573	(1,717,457)	0	130,582
Standard Chartered Foundation	904,726	0	(783,623)	0	121,103
M&G	0	249,600	(241,600)	0	8,000
Elrha	0	89,792	(80,646)	0	9,146
Other Emergency Responses	23,103	33,430	(51,048)	0	5,485
Gaza/Israel appeal	0	4,378	0	0	4,378
Other projects <£50k	436,316	277,152	(392,696)	0	320,772
Italy Swap	0	52,800	(52,800)	0	0
Norway Swap/Maputo Legacy	0	10,283	(10,283)	0	0
India Legacy	2,334,578	0	(924,127)	0	1,410,450
Restricted funds subtotal	**3,939,326**	**2,600,528**	**(4,480,300)**	**0**	**2,059,554**
Total Funds	**6,835,937**	**5,421,374**	**(8,348,238)**	**50,522**	**3,959,595**

Note 14 Statement of funds (continued)

2022	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS					
General fund	1,821,981	3,339,741	(2,445,759)	(24,937)	2,691,026
Designated funds:					
Fundraising research & investment reserve	0	0	0	0	0
Foreign exchange reserve	205,584	0	0	0	205,584
India Legacy	312,500	0	(312,500)	0	0
Unrestricted funds sub total	**2,340,065**	**3,339,741**	**(2,758,259)**	**(24,937)**	**2,896,610**
RESTRICTED FUNDS					
Zambia	46,854	61,245	(61,245)	0	46,854
Gambia - YTEP Project, Basse	101,450	124,834	(167,999)	0	58,285
Sponsorship fund	3,773	1,838,939	(1,707,248)	0	135,465
Africa – general	0	0	0	0	0
COVID 19 Appeal	156,891	4	(156,895)	0	0
Standard Chartered Foundation	398,403	1,138,613	(632,291)	0	904,726
M&G	(805)	240,002	(239,197)	0	0
Other Emergency Responses	772	446,331	(424,000)	0	23,103
Other projects <£50k	227,509	225,108	(173,196)	0	436,316
HGFD Grant	0	390,780	(390,780)	0	0
India Legacy	2,187,500	635,846	(488,768)	0	2,334,578
Restricted funds sub total	**3,122,348**	**5,101,702**	**(4,284,724)**	**0**	**3,939,327**
Total Funds	**5,462,413**	**8,441,443**	**(7,042,983)**	**(24,937)**	**6,835,937**

Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Intangible fixed assets	0	258,102	**258,102**
Tangible fixed assets	0	21,271	**21,271**
Investments	0	1,278,820	**1,278,820**
Current assets	3,121,027	634,277	**3,755,305**
Creditors due within one year	(1,061,473)	(292,430)	**(1,353,903)**
Total	**2,059,555**	**1,900,040**	**3,959,595**

Analysis of net assets between funds - Prior Year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Intangible fixed assets	0	293,527	**293,527**
Tangible fixed assets	0	15,974	**15,974**
Investments	0	1,228,353	**1,228,298**
Current assets	3,939,326	2,609,200	**6,548,581**
Creditors due within one year	0	(1,250,443)	**(1,250,443)**
Total	**3,939,326**	**2,896,611**	**6,835,937**

Note 16 Analysis of changes in net debt

	Balance brought forward 1 January 2023 £	Cashflow £	Balance carried forward 31 December 2023 £
Cash in hand	**5,572,593**	**(2,390,280)**	**3,182,313**

Note 17 Operating lease commitments

At 31 December 2023 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2023 £	2022 £	2023 £	2022 £
Expiry Date:				
Within 1 year	42,000	42,000	4,200	4,200
Between 2 and 5 years	21,000	63,000	1,259	5,459
After more than 5 years	0	0	0	0
Total	**63,000**	**105,000**	**5,459**	**9,659**

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

Note 18 Related party transactions

At 31 December 2023 the Charity held all 100 ordinary shares of £1 each in the wholly owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom. These shares were written down to nil value in the 2002 accounts and the company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £25,639 (2022 £43,599) was received from the Pakistan Supporters' Group (PSG) and a further amount was received directly from PSG child and village sponsors £60,639 (2022 £66,418). A Khan, who resigned from her position as a trustee of SOS Children's Villages UK in 2019 is currently a bank signatory of the Pakistan Supporters' Group.

There are no other related party transactions.

Note 19 Trustee expenses

The trustees did not receive any remuneration in the year. Trustees made expense claims during the year for the sum of £3,656 (2022: £4,527).

No child should grow up alone

SOS CHILDREN'S VILLAGES

Registered Charity No.1069204

Telephone: 01223 365589

Email: hello@sosuk.org

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Charity registered in England and Wales, number: 1069204

Annual Report 2023

SOS CHILDREN'S VILLAGES
UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT

To the members of SOS Children's Villages UK

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 Charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' 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 SOS Children's Villages UK'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or certain disclosures of Trustees' remuneration specified by law are not made; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting doumentation, concerning the charity's policies and procedres relating to:

— Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
— Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
— The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

Noelia Serrano
(Senior statutory auditor)

for and on behalf of

Sayer Vincent LLP
Invicta House
Statutory Auditor
110 Golden Lane
LONDON
EC1Y 0TG

Date: 24 July 2024

Above image: A mother holding her children, Bolivia. © ***Mijhail Calle***

SOS CHILDREN'S VILLAGES UK

England & Wales - Charity number 1069204

Accounts

Annual Report 2022

SOS CHILDREN'S VILLAGES
UNITED KINGDOM

Front cover: *Ukrainian children at the playground of SOS Children's Village Bucharest, Romania* ***© Katerina Ilievska***

Image above: *Young people laughing in Tanzania* ***© Lars Just***

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WELCOME

2022 was a year dominated by crises, most notable of these being the war in Ukraine. At SOS Children's Villages UK, this conflict felt very close to home. We stayed in contact with our Ukrainian colleagues, receiving regular and often heart-breaking updates from them. With help from our generous supporters, we were pleased to be able to assist the children and families impacted by this terrible conflict, providing aid, emergency accommodation and mental health counselling through our Ukraine Emergency Appeal.

While it's clear this conflict is unlikely to be over soon, thoughts are already turning to how the country rebuilds. For SOS Children's Villages this means considering what kind of care we want to provide for Ukrainian children and young people in the months and years to come. How can we best support them to deal with the trauma they have experienced and become empowered and resilient adults?

As we look at all that has happened this year, while acknowledging the suffering, we must consider how positive change is often driven by crisis. We should also reflect on our role in contributing to that change. In this largely post-COVID period, around the world in places as diverse as The Gambia and Sri Lanka, the disruption caused by the pandemic and war in Ukraine is giving way to new thinking about what we want for children and the way we care for them. How do we make sure children and young people have the bonds they need to thrive, amidst the challenges we all face?

The renewed and welcome focus within our SOS Children's Villages family on safeguarding, and the protection of the children, young people and families we work with, is also driving change. This progression raises questions – what is the best way to keep children and young people safe in current times, especially in our globally-connected, rapidly-changing online world?

Closer to home, the pressure on our funding during these tough times in the UK means we have to think about the best way to get 'bang for buck'. 2022 was a year of working closely with partners in the different locations we support, to understand what their needs are and how programmes can deliver the best possible outcomes for children and young people today.

We must be courageous and challenge ourselves – even to the extent of looking at our well-known model of childcare and asking ourselves if it still does what it needs to do, given the changing world children face today. We must also help to build resilience, supporting the communities we work with to create effective and long-term change, while simultaneously responding to immediate crises and preparing for future challenges.

2023 will be a year when we start to realise some of this ambition. With your continued, generous and essential support, we will strive to create an SOS Children's Villages that is helping children and young people grow up feeling safe, loved and respected, well into the future.

Alison Wallace
CEO

Harpinder Collacott
Chair of Trustees

Siblings laughing and playing together in Somaliland **© Lydia Mantler**

WHO WE ARE
AND WHY WE EXIST

Cousins talking outside their house in Kenya © Jakob Fuhr

138
countries worldwide

SOS Children's Villages UK is part of a global federation operating in 138 countries. Founded in 1949, SOS Children's Villages is the world's largest non-governmental organisation focused on supporting children and young people without parental care or at risk of losing it. We exist to ensure that every child has the bonds they need to become their strongest selves.

1 in 10

Today, 1 in 10 children and young people around the world are separated from their families, neglected or forced to live in an abusive environment, growing up without the support they need to prepare themselves for their future. The effects of this often last a lifetime, creating a harmful cycle that repeats from one generation to the next.

Together, we are here to break this cycle and to prevent it from happening in the first place.

We go beyond the basic needs, focusing on the trust and warmth of strong human connections, to ensure every child has what they need to thrive and not just survive.

Children and young people need genuine, healthy relationships and connections with others to develop. We believe that a child who feels safe, loved and respected has the power to change the world.

As a child, you need someone who truly sees you – who stands by you no matter what. Someone who holds you close when you are small and believes in you when you are ready to step into the world.

A girl jumping with a rope in Bangladesh **© Alea Horst**

Helping children grow into their strongest selves

Each child is unique – they have their own needs, come from different circumstances, and possess an individual potential for impacting the world. This understanding is at the heart of everything we do. We work with each child so their voice is heard and they have a say in the care and support they receive.

The relationships and connections we form with others during childhood play a crucial role in shaping who we become, helping us develop trust, confidence and key life skills that we carry with us into adulthood.

For children and young people who have lost or are at risk of losing parental care, growing up often becomes about survival rather than play and learning.

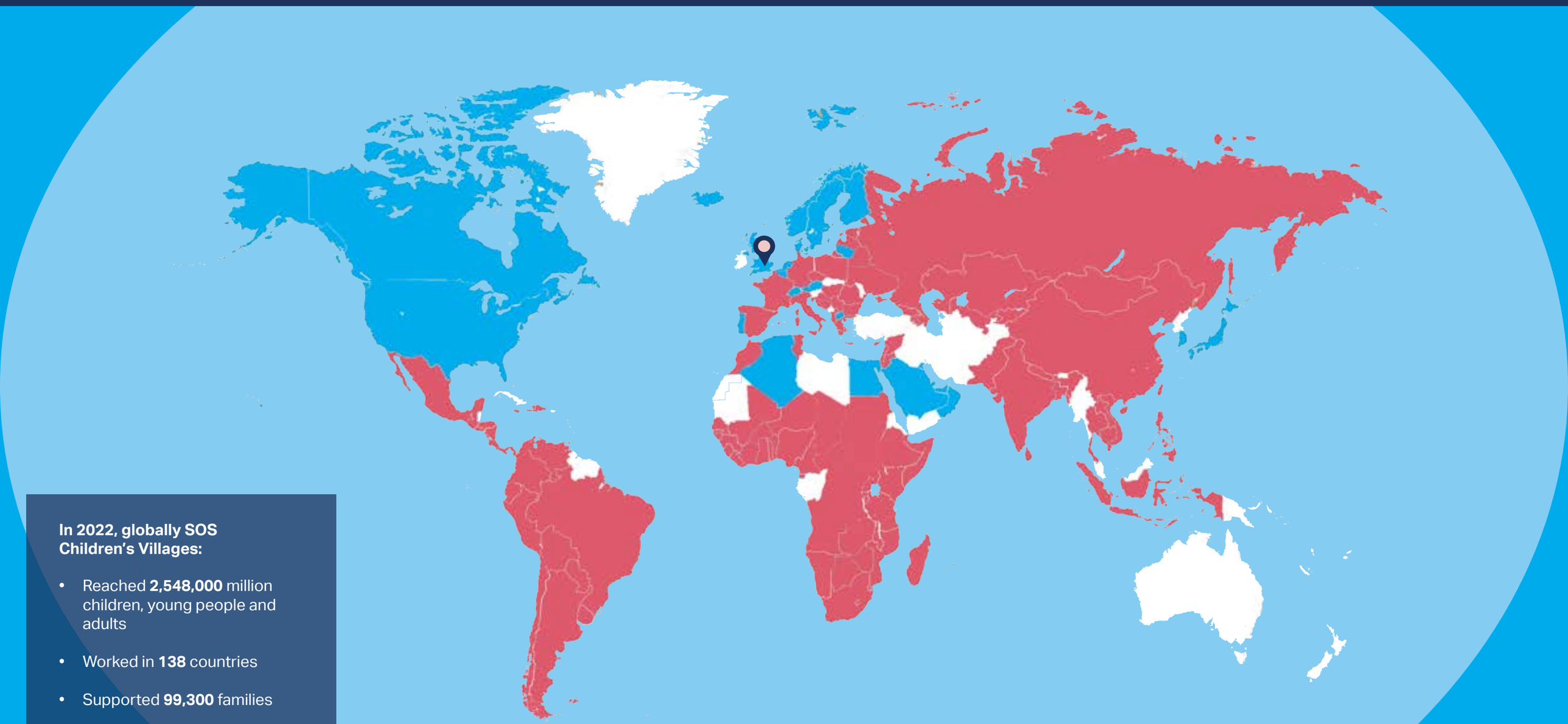
Working with children, families and communities, we strive to ensure that each child and young person grows up in a caring, nurturing and positive environment that supports their development. This means that they can thrive and positively contribute to their community and own family, now and in the future.

We ensure children and young people have the bonds they need by preventing families from breaking down, protecting children, and advocating for children and young people. We empower individual children, young people and families, and develop a range of quality programmes and services suited to their individual needs and local contexts. We work in four main areas:

- **Strengthening families**
- **Caring for children**
- **Youth employability and education**
- **Protecting children in emergencies**

We see each child, no matter what the circumstances.

GLOBAL REACH



In 2022, globally SOS Children's Villages:

- Reached **2,548,000** million children, young people and adults
- Worked in **138** countries
- Supported **99,300** families

Colour Key

Countries where SOS Children's Villages is located, supported by SOS Children's Villages UK

Countries where SOS Children's Villages is located, not supported by the UK

A YEAR IN REVIEW

In 2022, we raised a total of £8.44m (£7.85m in 2021) from our generous supporters. Money was raised from UK donors through public donations, legacies, sponsorships, community fundraising efforts, charitable trusts and foundations, and voluntary income from corporate partnerships. As well as money from individual sponsors and donors, we received sizeable funding from Standard Chartered Foundation, M&G plc, Claire's, Mars Ireland and FactSet. We also received funding from a number of other partnerships, and trusts and foundations, including PDFoundation.

These funds enabled us to support children, young people and families, by providing quality family-like care; helping prevent family breakdown; protecting children and families in emergencies; and empowering young people through youth education, skills training and mentoring.

We are extremely grateful for the generous support of all our donors. Read more about the financial breakdown of our income and expenditure on pages 62 to 67, and about those who fund our work on pages 60 to 61.

Two sisters holding their brother up while he rides his bike in Bangladesh ***© Alea Horst***

Progress towards our objectives in 2022

In 2022, we began working towards a new three-year strategic framework (2022-2024). We made the following progress against the goals we set for ourselves in support of our charitable purpose. More details of our work and achievements can be found on pages 14 to 55.

1 **Continue to support children who have lost parental care and families at risk of breakdown, with a focus on education and employability programmes for young people; supporting families with livelihoods and resilience related programmes: and amplifying our impact by increasing the number of children, families and communities we support.**

In 2022, we supported children and young people without parental care or at risk of losing it, in 112 countries around the world.

Through our family strengthening work, we supported families at risk of breakdown including through economic empowerment and help with livelihoods; assistance with children's mental and physical health; and help with children's education. We worked with families in this way on specific projects in eight countries - France, Germany, Italy, Spain, Poland, India, Zambia and Sri Lanka, where we provided additional support in response to the economic crisis. We also helped to strengthen families in numerous other places we are present, as an integral part of our work in village communities.

As a core aspect of our work, we provided alternative, family-like care for children in 108 countries, with over 7,500 donors directly supporting over 4,500 children in 302 locations through our sponsorship programme (in 2021, 7,200 donors supported over 4,700 children in 287 locations). In line with our fundraising strategy, we did not actively promote sponsorship in 2022, and therefore had fewer sponsorships than in previous years. However, we increased the number of other individual donors, bringing in around 4,000 new supporters who provided regular non-sponsorship donations (in 2021, we brought on board 3,300 new regular supporters). These valuable funds are used to provide support across SOS Children's Villages' different programmes.

We also received over £1.85m in legacies donations, a large portion of which was for Mozambique, and another sizeable amount for programmes in four districts of India, which will suport over 5,000 children and young people.

Thanks to corporate partnerships and other support, we continued to provide young people in 14 different countries with quality skills training, mentoring and education, to help them gain employment or set up their own businesses.

Through our partnership with M&G plc we directly impacted over 44,500 people, empowering families and providing young people with the skills they need for a successful future. Our Youth Employability and Training programme in Basse, The Gambia, developed skills and opportunities for 339 young people in 2022, with an aim of reaching over 1,000 throughout the course of the programme.

We continued our partnership with Standard Chartered Foundation, as part of their Futuremakers initiative, in 2022 providing employment and entrepreneurship opportunities for 1,039 young people in Botswana, Côte d'Ivoire, Sri Lanka, Jordan, the Philippines, South Africa and Mauritius. Through YouthCan!, a global initiative from SOS Children's Villages to empower young people through skills training, mentorship and work experiences, we provided employability training for young people in India and the Philippines. We also delivered oral health education in Botswana, and HIV and AIDS Awareness and Prevention education in Tanzania, reaching 2,000 young people.

Through our Ukraine Emergency Appeal, and responses to other crises such as the extreme flooding in Pakistan and humanitarian crisis in the Horn of Africa, we raised £552k to help protect and care for children and families at risk when impacted by war, natural disasters and other emergencies. This year, we launched our new Emergencies Fund to enable us to respond more effectively and provide immediate, as well as ongoing assistance, to children and families when disaster strikes.

2

Continue to support children and young people in the village communities of Basse, The Gambia and Chipata, Zambia, together with vulnerable families in the region, working with our partners to identify changing community requirements, adapt services and programmes accordingly and identify and strive to close gaps with respect to the UN Guidelines on Alternative Care.

Throughout 2022, we continued our long-term support for children, young people and families in Basse, The Gambia and Chipata, Zambia. We enabled the provison of tailored, family-like care for 221 children (233 children in 2021) and supported other children and families by delivering health and education solutions, and helping families stay together, reaching a total of 1,756 people in these two locations in 2022.

Providing a total of £323.6k (£278k in 2021) in funding to these two communities, we reconfirmed our commitment to long-term engagement and sustainability of programmes in both locations. This year, we focused on supporting our colleagues in The Gambia and Zambia to strengthen the way these programmes operate and continue to improve the quality of care.

In The Gambia, we worked with our Gambian SOS Children's Villages colleagues to conduct a strengthened needs assessment and 'gatekeeping' process - reviewing and tailoring the care we are providing to each child and young person to ensure we are fully meeting their individual requirements. We ensure that children are kept at the heart of the conversation. For some, this has meant that care can be more appropriately provided in the community within family structures that are better suited to their changing needs and environment. In both locations, we have seen challenges around an increased need for services, combined with pressure on resources. Our focus has therefore been on how we can spend funding in an increasingly sustainable way in a tightening economic environment. In Zambia in particular, we are working closely with the Zambian team to assess the impact of financial management challenges on the work they are delivering and the care they are providing to children and families going forward.

3

In line with renewed emphasis within the SOS Children's Villages Federation, work with our partners at SOS Children's Villages in The Gambia and SOS Children's Villages in Zambia to strengthen approaches to the safeguarding of children, young people and staff.

This year we worked with our SOS Children's Villages colleagues in both The Gambia and Zambia to support the transition towards an improved culture and processes for keeping the children, young people, caregivers and staff we work with safe. We supported the teams in these countries to engage with the broader changes happening at federation level, working especially on strengthening management and connecting with the wider federation structures.

In Zambia, we worked to improve safeguarding reporting, ensuring the structures and processes are in place so that people are empowered and comfortable to come forward and report any safeguarding concerns they have, and they know how to do so.

4

Sustain further investment in our fundraising operation, in order to sustainably increase the support we can provide to SOS Children's Villages' programmes in the future and to ensure we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.

Despite the economic challenges posed by the cost-of-living crisis and Ukraine war in 2022, we sustained investment in our fundraising, exceeding our income generation targets in all areas (128% over planned budget). With continued support from our SOS Children's Villages sister organisation, Herman Gmeiner Fonds Deutschland (HGFD), we continued to invest in developing stronger systems and processes, and in diversifying our income - building new partnerships and donor relationships. In particular, we introduced a new CRM and finance system, which we will be able to leverage in 2023 to strengthen our fundraising operations further.

At the end of 2022, unrestricted income was 40% of total income. Flexible, unrestricted income that is not specifically earmarked for one particular purpose is vital to enable us to commit sustainable support to SOS Children's Villages' global programmes, and ensure funds are used where they are most needed. Developing our fundraising capacity and increasing our income, particularly unrestricted funds, means we can ensure more children and young people grow up feeling safe, loved and respected and have the bonds they need to thrive.

Three girls from Ukraine posing with their foster father, Karlino. **© Katerina Ilievska**

STRENGTHENING FAMILIES

The importance of supporting families to stay together cannot be overstated. Keeping families together plays a critical role in preventing cycles of harm and trauma, and protecting children who are at risk of losing parental care.

We believe that wherever possible, children are served best by remaining with their families. By investing in family support systems, we address the root causes of vulnerability, ensuring that children grow up in a safe, loving and nurturing environment. This reduces the likelihood of future separation and helps break intergenerational cycles of poverty, neglect, and abuse.

The programmes run by SOS Children's Villages empower parents and other caregivers with the tools and resources they need to provide the best possible care for their children, preventing factors that can lead to separation. Our work to strengthen families and prevent family breakdown, contributes to the wellbeing of children and communities, fostering resilience and promoting healthy, thriving futures for generations to come.

In 2022, SOS Children's Villages UK supported specific initiatives aimed at strengthening families in eight countries, contributing nearly £1 million to a variety of holistic programmes. Through our partnership with M&G plc alone, we assisted over 44,500 children and parents in India, Poland, Germany, Italy, France and Spain. These tailored initiatives include livelihood and financial support; enabling children to access education; raising awareness of issues which cause family separation; and developing the knowledge and skills of parents and caregivers to better care for their children.

Daughter hugging mother while she is cooking lunch for customers ***© Lydia Mantler***

Empowering families and communities: A holistic approach

At the heart of our Family Strengthening programmes is our drive to support communities where children face the highest risk of separation from their families. Teaming up with local services, we identify and support those most vulnerable.

Throughout 2022, we provided holistic support tailored to each family's unique challenges. Our engagement typically lasts for three to five years, empowering caregivers towards self-reliance, equipping them with essential skills and resources, such as food, access to healthcare and education, and support with livelihoods development.

We champion community involvement for sustainable impact, engaging local communities in our initiatives that address key issues causing family separation, like child marriage and girls' education rights. This community education approach ensures ongoing family support.

We are effective because we are trusted by the local community. SOS Children's Villages local teams are part of the communities they serve, fostering strong relationships with local organisations, government bodies, and suppliers. This allows us to establish trust with community leaders and generate support for our programmes.

Breaking the cycle of abuse

Manju Devis, a 37-year-old mother of three from the mountain village of Bhumiadar in India, endured over two decades of violence and abuse in her marriage before finally separating from her husband. As the head of the household and one of the few financially independent women in her village, she vowed to protect her children from further suffering. Living in a community where domestic violence is an everyday reality for many women, Manju sought help to break the cycle of abuse.

Manju joined SOS Children's Villages' Family Strengthening Programme in 2019, receiving support for her daughters' education and a livelihood grant. She started rearing goats and took on various jobs, gradually becoming financially independent. Swati, who works on the SOS Family Strengthening Programme, focused on ensuring the family's stress didn't hinder the children's education and worked with the community to emphasise the importance of non-abusive relationships.

Gaining the confidence to report the abuse, Manju received support from local law enforcement and her community. This has led to a stronger bond between her and her children, increased social confidence, and improved education for her children. Manju's family serves as an example of hope and determination in the face of adversity.

Manju Devi and her children sitting outside their home in india ***©Pearl Sandhu***

Strengthening families during Sri Lanka's economic crisis

In the face of the severe economic crisis that struck Sri Lanka in 2022, families found themselves grappling with shortages of essential items and the daunting task of providing adequate meals for their children.

SOS Children's Villages UK provided direct support through the Family Strengthening Programme in Nuwara Eliya, offering a lifeline to 165 families affected by the crisis.

By providing much-needed assistance during times of crisis, the programme enabled families to remain united and resilient. The comprehensive assistance, which included providing food, education, and economic stability, helped to alleviate the pressures that can lead to family separation or children being placed in alternative care.

Support from our partner, PDFoundation, enabled the distribution of 990 dry ration packs and 15,000 mid-day meals between July and December 2022. This critical assistance ensured that none of the children in the programme fell below the Body Mass Index margins during their biannual check, effectively shielding them from malnutrition.

Despite the challenging circumstances, SOS Children's Villages in Sri Lanka persisted in delivering the core activities of the Family Strengthening Programme, placing emphasis on education and economic stability. They offered online and in-person classes, backed income-generating activities, and facilitated family counselling. Their unwavering support resulted in 95% of caregivers managing to sustain or restart their businesses in 2022.

In addition, SOS Children's Villages in Sri Lanka coordinated family counselling and child protection sessions, actively involving community organisations. The Kalapura/Shanthipura community successfully finished the programme in 2022, with 83% of families here achieving self-reliance.

165

families affected by the crisis.

990

dry ration packs

15,000

mid-day meals

83%

families here achieving self-reliance.

Image top right: Ayomi Kumari and her daughters in Sri Lanka ***© Pearl Sandhu***

Keeping a mother and her children together

Ayomi, a determined 37-year-old mother of three from a small village in Sri Lanka, faced a future filled with challenges when the economic crisis that followed the pandemic struck her family. With a husband who didn't work and an unstable tailoring business, Ayomi struggled to provide for her three children and make ends meet.

As the crisis worsened, Ayomi's tailoring business dried up, and her husband's alcohol addiction and often abusive behaviour added to the family's troubles. Unable to cope, Ayomi was advised to hand over her children to the government. That's when SOS Children's Villages in Sri Lanka stepped in, providing much-needed support to keep the family together.

"I got lots of support from SOS [Children's Villages]. I am here, in this position today because of SOS [Children's Villages]. If not, I was honestly fed up with life. I was advised to hand over my children to probation."

- Ayomi

The Family Strengthening Programme helped cover the family's rent and supported the education of Ayomi's two older children.

Despite her challenges, Ayomi found a job in a garment factory, and began bringing in a small salary. Unfortunately, she had to sell her sewing machine due to their economic hardship. She is grateful for the support that SOS Children's Villages was able to provide to her family and knows that she may have had to give up her children without the help she received.

Ayomi's wish is to regain the ability to work from home and care for her children simultaneously. Through the consistent support of the SOS Children's Villages Family Strengthening Programme, Ayomi remains hopeful in the face of adversity.

Supporting families in Chipata, Zambia

In 2022, SOS Children's Villages UK supported the Family Strengthening programme in Chipata, Zambia, making a significant difference to the lives of 775 children and parents through a variety of dedicated initiatives.

This was a year of progress for the Family Strengthening Programme in Chipata supported by SOS Children's Villages UK, and the programme was instrumental in transforming the lives of vulnerable families and children.

Throughout 2022, families were supported through key initiatives, such as Village Saving and Loans Associations, a Rural Finance Expansion Programme, and an Adult Literacy Programme.

The Village Saving and Loans Associations foster a culture of saving and investment, empowering caregivers to overcome financial barriers and build a sustainable future. Financial literacy training, and training sessions for village agents, led to the creation of small informal businesses. These, in turn, enabled families to provide for their loved ones, pay school fees, and purchase educational materials for their children.

The Adult Literacy Programme focused on improving the literacy of caregivers. Increased literacy skills lead to better decision-making, greater opportunities, and ultimately more successful families. The different aspects of the programme work together, with the improved literacy of participants also making the saving, investment and Rural Finance Expansion initiatives more impactful.

As part of the Family Strengthening Programme, education on sexual and reproductive health and rights was provided for girls and boys in two primary schools in Chipata during 2022. These sessions cover topics such as reproductive health, menstrual hygiene and management, HIV and AIDS, pregnancy, and child marriage. By educating young people on these important issues, the programme aims to create a healthier and more informed generation.

Image top left: A mother and daughter laughing, Zambia ***© Paal Audestad***

Family resilience in Poland

Malgorzata Malgosia, a mother of eight children from Poland, demonstrates an inspirational case of resilience in the face of adversity. Despite the hardship faced by her family following her husband's accident and subsequent stroke in 2013, Malgorzata managed to navigate life's challenges with grace and determination.

With a large family to support and her husband unable to work, Malgorzata was under intense pressure and stress. The complexity of their situation made finding a way forward seem almost impossible.

Thankfully, they found the support of the SOS Children's Villages Family Strengthening Programme in Poland, designed to support and empower families through difficult times. The programme provided an array of support services and training. Most importantly, it helped Malgorzata to understand her essential role within her family. She learned that self-care was not a luxury, but a necessity, and that she could delegate responsibilities to other family members. This not only eased her burden, but also fostered a greater sense of family unity and cooperation.

The programme's impact on the family was profound. Malgorzata's children, once confined by their circumstances, were now able to explore and pursue their individual interests. The programme also organised family workshops and a variety of trips and excursions, broadening the children's horizons.

Malgorzata herself remained active, participating in all activities and using the opportunities to provide her children experiences that were previously unattainable due to financial constraints. The joy and excitement the children brought home after these activities filled the household with positivity and affirmed the immense value of the Family Strengthening Programme.

Malgorzata's story illustrates how a comprehensive intervention can empower families to overcome adversity, nurture individual growth, and foster strong family bonds. With the right resources and support, families can flourish, even in the face of immense challenges.

CARING FOR CHILDREN

The loss of parental care, whether due to unforeseen circumstances, abuse, or neglect, is a devastating experience for any child. In these challenging situations, it is crucial to ensure that children feel loved, cared for and protected so that they can grow and thrive.

SOS Children's Village communities around the world provide high-quality, alternative care for children who have lost the support and security of their families. This ensures that children and young people can grow up with the bonds they need to become their strongest selves.

Thanks to our sponsors, in 2022, SOS Children's Villages UK provided support for over 4,500 children and young people from 108 countries. These children were cared for within 302 different SOS Children's Villages communities. We provided family-like care for the individual children and supported them holistically through the broader work of SOS Children's Villages in each location, including educational initiatives and programmes to strengthen families.

Two girls hugging in Bangladesh **© *Alea Horst***

Keeping siblings together: fostering a nurturing bond in care

Siblings Naol & Beki* hugging, Ethiopia* **© Abeba Tiumelisan**

Siblings Naol & Beki* with their SOS Children's Villages mother, Ethiopia* **© Abeba Tiumelisan**

Naol* and Beki*, are a pair of incredibly resilient twins from SOS Children's Village Jimma in Ethiopia. Despite being born prematurely, the twins have flourished into strong and healthy nine-and-a-half-year-olds, with the love and support of their devoted caregiver, Bizunesh Shiferaw.

"I have a very special love for both of these children. They were only 17 days old when they came to me," Bizunesh reminisces. "Seeing them now, looking strong and healthy, and living a happy life with me and the rest of the family, fills my heart with joy."

After the twins' biological mother passed away, their father was unable to care for them, and they were brought to the SOS Children's Village community to live with Bizunesh.

"The children were in a fragile situation. It was a rush against time to save their lives. I was not sure how this story would end. Beki's condition was particularly critical. I gave them all the love and care they needed, day and night, carefully providing nutrition and medication as ordered by doctors. And thank God for all the people who supported the children, Beki steadily recovered."

Beki and Naol, now in the fourth grade, share only their birthday as a similarity. Naol is outgoing and mischievous, while Beki is more reserved and quieter, sometimes relying on Naol to speak for her. Despite occasional sibling rivalry, they are fiercely protective of one another.

"Beki is kind to me. She always helps me with anything she can," says Naol. "She also likes telling me funny stories. We are very close and hang out together at school and at home."

Bizunesh firmly believes that keeping the siblings together has been crucial for their well-being and has fostered strong bonds between them. She believes that children in care have already suffered loss and sometimes abuse and neglect, so separating siblings would only add to their trauma.

"Living together has helped their emotional and physical development in many ways. They feel stable and happy in their life," she explains. "Raising them together has played a great role in maintaining a positive development in their life."

Naol and Beki are in touch with their biological father, and they know him well. The family is on a path towards reunification, although he is still not able to bring the twins home.

"They frequently talk to their father on the phone," says Bizunesh. "I let them talk to him whenever they want. They also visit him in the summer during school break. Beki and Naol will go and live with him permanently when he is ready to raise them."

**Names changed to protect the privacy of the children.*

> ***"My brother loves supporting me with schoolwork when we study together. He is very good at drawing, and he is teaching me how to do it."***
>
> *- Beki**

Building brighter futures

SOS Children's Villages UK continued to support the provision of safe and caring environments for children without parental care in 2022, prioritising their wellbeing and development. With family reunification as a central goal, we empowered families to regain caregiving abilities, and provided alternative care for children who couldn't return to their families.

In SOS Children's Villages communities, children build necessary bonds, retain sibling relationships, pursue education, and can access trauma-informed mental health support. Dedicated carergivers safeguard them from exploitation, abuse, and neglect, enabling them to thrive.

In 2022, our focus on personalised education and comprehensive support continued to promote children's long-term stability, and prepared them for a resilient future. Through the village communities, local communities are supported via Family Strengthening Programmes, which prioritise children's education, parental employment, food security, and family empowerment.

These programmes reduce the risk of family breakdown, thereby lessening the need for alternative care. By combining outstanding care, community strength, and extensive support, SOS Children's Villages helped to empower communities and build brighter futures for children and young people throughout 2022.

"I am happy that as I will be joining college; I have adequate skills to earn me success."

– Almasi, a young person from SOS Children's Villages in Mombasa

A family look for water, Zimbabwe ***© SOS Children's Villages International***

Around the world, thanks to our generous donors, SOS Children's Villages UK was able to provide direct support to SOS Children's Villages in different locations – helping at risk children and the communities where they live.

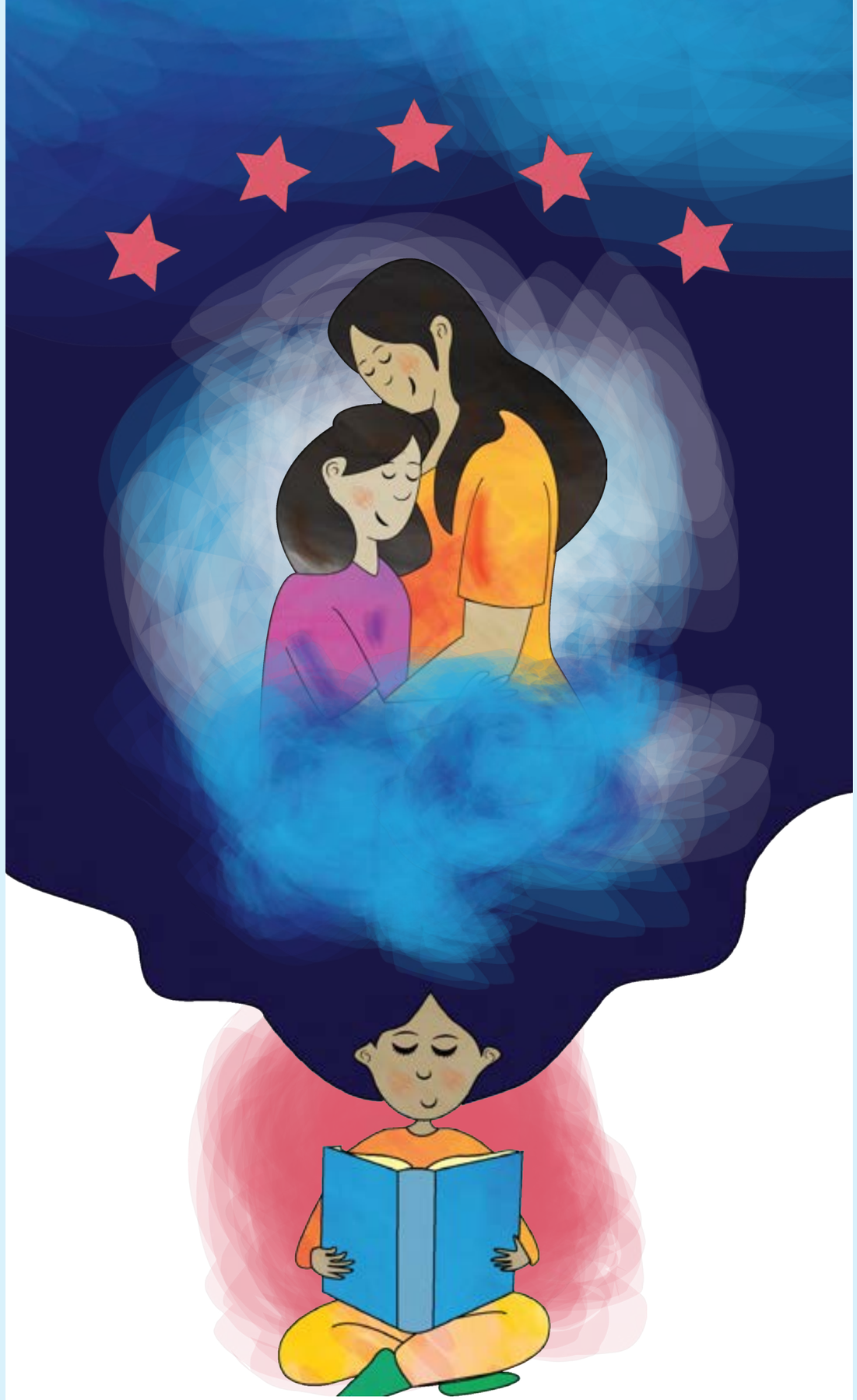
Unlocking potential and embracing new beginnings in Kenya

Launched in July 2022 at SOS Children's Villages, Mombasa, the 'Leave No Youth Behind' initiative is transforming how young people transition from community living. Providing life skills and work opportunities, the programme supports young people in safeguarding themselves whilst educating them about their responsibilities.

In Eldoret, children engaged in psychosocial support activities, expressing themselves through art and storytelling, boosting their self-belief. One participant, called Ina*, said, 'these training activities have helped me nurture my self-confidence. I feel I am a better person and can help change the world in my own little way.'

Addressing the water crisis and growing food in Zimbabwe

The water crisis in Bulawayo, Zimbabwe, has been a long-standing issue, with availability of fresh, clean water an ongoing issue. Despite these challenges, SOS Children's Villages in Bulawayo made a tangible difference by installing five large water tanks in four local schools and one community garden. Over 106 families in the community now benefit and have gained access to clean water, improving their overall quality of life.



At the same time, SOS Children's Villages in Bindura, Zimbabwe established a solar-powered irrigated garden, yielding a variety of fresh produce, including tomatoes, cucumbers, cabbages, onions, carrots and okra. This project not only enhances the nutritional value of meals served at the school, but also provides affordable, healthy food options for the surrounding community - promoting overall wellbeing and fostering a stronger sense of unity.

Reviving hope in Surkhet, Nepal

Radha, a single mother of two, struggled to provide for her family after her husband's passing. With support from the Family Strengthening programme in SOS Children's Villages in Surkhet, Radha received financial assistance to open a grocery shop and food business. Her daughters, now on a scholarship to study at the SOS Children's Villages school, are excelling in their education. With a stable income and dreams of building a small house, Radha's family is thriving thanks to the life-changing support from the SOS Children's Villages community.

Inspiring young minds in Lipa, The Philippines

The newly opened Youth Hub in the SOS Children's Villages community in Lipa offers a wide range of opportunities for young people to develop essential life skills. They take part in sessions on topics such as personal development, effective public speaking, using MS Office applications, photography and fundraising.

'These sessions are a great help for me. It gives us the advantage of being more skilful. In school, we don't usually have these kinds of training. Here in the Village, we can discover new abilities that will be helpful once we become independent.' Says Said Ally, one of the young adults in the SOS Children's Villages community in Lipa.

YOUTH EMPLOYABILITY AND EDUCATION

Tackling global youth unemployment is crucial for sustainable development. Ensuring access to employability training, education, skills development and mentoring helps young people in vulnerable situations to escape poverty, and also drives economic growth.

With 68 million young people globally facing unemployment, it is particularly important to support those who have lost parental care, or who are at risk of losing it, to gain the skills and confidence they need to enter the world of work and stand on their own. Young people without parental support, often lack the essential guidance, knowledge, life-skills and resources required to be self-reliant and build a successful future for themselves.

SOS Children's Villages UK is dedicated to empowering the next generation and creating a brighter and more inclusive future for all, by providing equal opportunities and skills development, regardless of gender or background. In 2022, we championed key initiatives focusing on youth training and employability, including our contributions to the international YouthCan! partnership and our Youth Training and Employability Programme in The Gambia. This programme supported 319 young people in 2022, and aims to assist more than 1,000 young people over course of the project.

Collaborating with the Standard Chartered Foundation, we participated in the Futuremakers initiative, promoting financial independence and self-sufficiency among young people worldwide. In addition, providing health education, including oral hygiene, and sexual and reproductive health awareness, meant that young people had some of the life-skills they need to take care of themselves.

Farah, a member of one of our Youth & Employability Programmes working in Somaliland ***© Lydia Mantler***

Youth training and employability in The Gambia

In 2022 the Youth Training and Employability Programme in The Gambia reached its fourth year, supported by generous grants to SOS Children's Villages UK from PDFoundation, as well as other donors and corporate partners.

This programme aims to empower young people through education, skills development, mentoring and entrepreneurship opportunities. Through this project, young people are equipped with vocational skills and have access to work placements, ultimately enabling them to secure stable employment or start their own businesses.

By fostering self-reliance and financial independence, the programme helps to combat poverty and unemployment amongst young people in the remote Upper River Region in the east of The Gambia, and particularly in its disadvantaged communities. It is designed to promote gender equity by specifically encouraging female participation.

"I want to show my talent, what I can do, what I can achieve, and make my Basse people proud."

- Rabbi, former student and intern at Gamtel, Upper River Region, The Gambia

The programme also creates inclusive opportunities for young people with disabilities by utilising adaptive and inclusive technology. Moreover, it collaborates with a local disability organisation to guarantee that the training is universally accessible. To date, 14 young individuals with disabilities have enrolled in the programme.

In this fourth year, significant progress was made. The second cohort, consisting of 151 students, successfully completed their studies with 140 securing work placements by the end of the year. Cohort three successfully enrolled 188 students, who will go on onto graduate in 2023.

Of the cohort who graduated at the end of 2021, 46% of the 135 students have secured employment and two-thirds are contributing to family income.

Banner image: A young girl at the Youth and Employability Centre in The Gambia ***©Abeba Tiumelisan***

151

students from cohort 2 successfully completed their skills training

188

students recruited for cohort 3

81%

of recruits were female

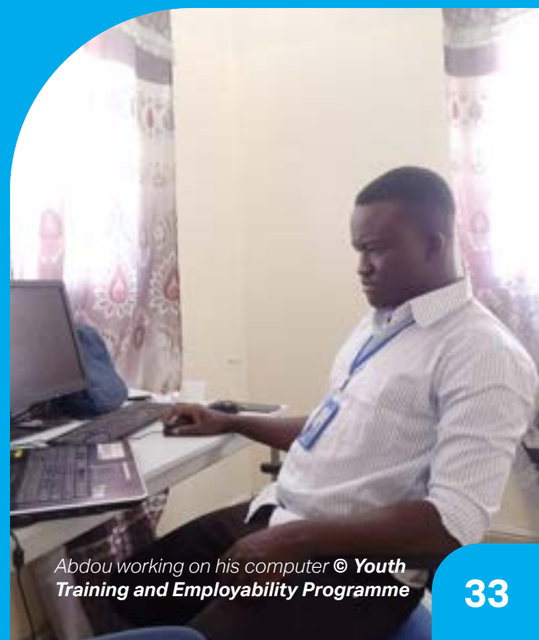
Harnessing passion and ambition

Born in Basse, The Gambia, and educated in Senegal, Abdou Sallah faced financial hardship upon returning to The Gambia. With a drive to convert his passion for IT into a career, he launched a modest business selling mobile phone accessories while running an internet café. Despite his determination, he struggled with financial instability, often finding it challenging to cover the shop's rent. While contemplating quitting, a close relative's support buoyed him, reinforcing his determination to persist.

His struggle and determination caught the attention of the Youth Training and Employability Programme committee, who saw his potential and invited him to join the programme.

The mentorship and training he gained through the programme further ignited Abdou's passion. As part of his training, he took part in a three-month internship at The Gambia College's IT unit. His hard work during this period further cemented his ability and drive, leading to full-time employment as an IT assistant.

Beyond professional development, the programme offered Abdou the support necessary to sustain his business amidst challenging times. Today, his aspirations include expanding his business and advancing his IT skills. Abdou's journey highlights the profound impact that targeted education and mentorship, such as this, can have on young individuals who are navigating economic hardship.



Abdou working on his computer ***© Youth Training and Employability Programme***

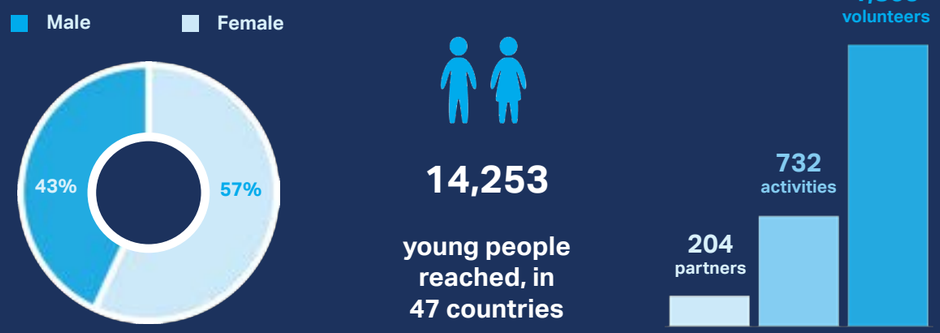
YouthCan! - A global partnership for youth employability

As a response to the growing challenge of youth employability, the global partnership, YouthCan! was launched in 2017 by SOS Children's Villages International and five global partners from the private sector. This initiative promotes decent work opportunities for young people without parental care or at risk of losing it.

YouthCan! empowers young people by supporting their transition to independence and work. In 2022, SOS Children's Villages globally reached 14,253 young people in 47 countries through this programme.

SOS Children's Villages UK contributed to the success of YouthCan! globally in 2022 through key partnerships, providing funding of over £830k towards projects in six countries.

SOS Children's Villages global YouthCan! impact



Partnering for young people in India

Building on the success of our 2021 collaboration in the Philippines, SOS Children's Villages UK and FactSet joined forces with SOS Children's Villages India in 2022. This new partnership aims to make a lasting difference to the lives of children and young people in Hyderabad, India, helping them grow, develop vital life skills and succeed.

This programme is designed to provide holistic support by addressing the interlinked areas of education, employability, family strengthening and community engagement.

As part of the YouthCan! programme, FactSet employees volunteered their time, skills, and expertise to equip young people with crucial skills needed for decent work opportunities. They focused on many valuable topics, including time management, embracing challenges, building resilience and communicating effectively.

SOS Children's Villages UK impact in Hyderabad

163
children supported through Family Strengthening

40
caregivers attended self-help group sessions

108
children received nutritional supplement

27
young people went into further education through the YouthCan! programme

30
children attended life skills training sessions

27
young people found employment through the YouthCan! programme

Dedication to career success

Although he faced financial adversity, Mohd Azam never relinquished his dream of becoming a safety officer. The YouthCan! programme in India, financed his diploma in Fire, Construction, and Industrial Safety, empowering Azam to focus on his studies and gain practical experience through internships.

After earning his diploma, Azam's effort paid off, landing him a job as a Safety Officer with a company in Hyderabad. His dedication and hard work quickly made him an asset to his company, who recognised his committment and quickly promoted him. Azam's journey demonstrates that with determination, and the right support, anyone can achieve their dreams.

Providing health education and awareness

In our ongoing mission to foster healthy and vibrant communities, SOS Children's Villages UK has made significant strides in healthcare education, supporting the implementation of two projects in 2022 that have impacted thousands of lives in Tanzania and Botswana.

Through our **Adolescent Sexual and Reproductive Health and HIV/AIDS Training Programme in Tanzania,** funded by The Mercury Phoenix Trust, we aimed to address urgent concerns and educational needs in relation to these crucial areas of health. Surpassing our original goal of reaching 1,000 young people during the one-year project, we reached over 2,500 individuals, demonstrating the considerable demand for this initiative.

With over one-third of Tanzania's population under 24, and high rates of teen pregnancies and sexually transmitted diseases, comprehensive sexual and reproductive health education is crucial. Our localised action plan, established in partnership with local community workers, education officers, and authorities, adheres to Tanzania's Ministry of Health guidelines, ensuring a culturally appropriate approach. Collaboratively, we trained peer educators to deliver lessons on HIV/AIDS, gender-based violence, family planning, and sexual and reproductive health rights. Notably, our outreach has led to an impressive 70% reduction in pregnancies in seven out of the eleven target schools.

Our second project, an **Oral Health programme in Botswana,** was run as part of Mars Ireland the 'Chew for Change' campaign, to promote dental hygiene. Following a decade of Mars running this campaign through Nordic countries, in 2022, SOS Children's Villages UK launched the campaign in Ireland with Mars Ireland, raising €40k. This programme addresses the widespread issue of poor dental health, which affects 60-90% of children globally. The ongoing annual programme aims to educate 16,000 children each year about good dental hygiene, equipping teachers, caregivers, and health personnel with the necessary tools and knowledge.

At SOS Children's Villages UK, our belief is simple: every child deserves a chance to grow up in a safe, caring family environment. By investing in healthcare education, we are providing the crucial life-skills that children and young people need and shaping a healthier, more resilient future for children, families and communities.

A young boy cleans his teeth in Botswanna ***© Chew For Change***

Empowering families with M&G plc

SOS Children's Villages UK continued its partnership with M&G plc in 2022, supporting the 'Empowering Families' initiative, to make a meaningful impact in Germany, India, Italy, Poland, France, Spain and South Africa. This programme transformed the lives of 45,523 children, young people, and parents in 2022.

The partnership implemented various projects designed to keep families together and provide young people with essential work skills. The commitment of 50 M&G plc employees was evident, as they volunteered a combined total of 124 hours.

The 'Empowering Families' programme's influence extends beyond the children and families who are directly reached, indirectly supporting an estimated 121,000 families and young people in 2022. By providing parents and young adults with the necessary support to find employment and achieve self-sufficiency, this impactful initiative is reducing family breakdown and breaking the cycle of poverty, creating a positive change for future generations.

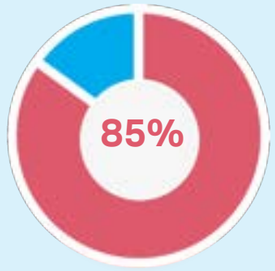
Directly supported 45,523 individuals

44,537 through strengthening families

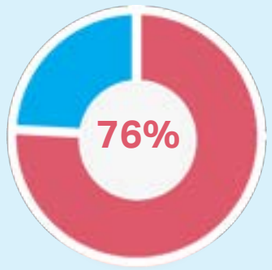
986 through youth employability

Benefitted 121,000 families and young people

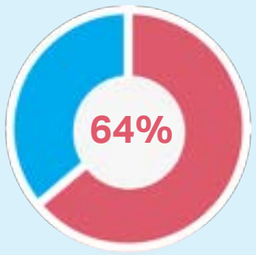
Facilitated 50 M&G plc employees to volunteer 124 hours



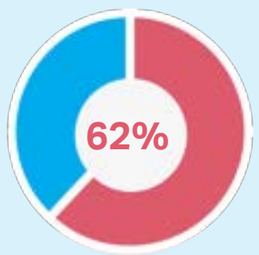
Increased wellbeing



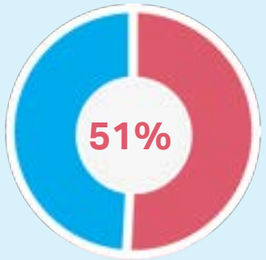
Lives improved



Lives transformed



Positive behaviour



Developed new skills

Children from Ukraine in various Playbus games in SOS Children's Village Kraśnik ***© Katerina Ilievska***

Bridging the digital divide

With the rapidly increasing importance of digital skills in education, careers, and day-to-day life, children and young people need access to vital information and communications technology (ICT).

Two-thirds of school-age children worldwide lack internet provision at home* meaning access to digital learning and other online opportunities are extremely limited. By providing access to ICT equipment, skills training and an appropriate understanding of how to stay safe online, we empower children and young people to learn; access essential services and support networks; prepare for work; and ultimately to become self-reliant in a digital world.

SOS Children's Villages UK works with like-minded funding partners and our expert colleagues around the world to create sustainable digital programmes designed around local needs. Through this we contribute to the global SOS Children's Villages Digital Villages initiative. This currently delivers fully developed ICT access in 60 countries and is making strong progress in dozens more. Setting up each individual Digital Village can cost anything between £10,000 - £25,000 depending on the local infrastructure and size of the facility.

Together we make local access to ICT a safe, effective and rewarding reality for more than 40,000 children, young people, carers and their communities every year; and have ambitious plans to scale up our work in this essential area.

60 countries developed **ICT access**

Aminata and the computer lab

From a young age at the SOS Children's Villages community in Makeni, Sierra Leone, Aminata showed a keen interest in electronics, often exploring her mother's mobile phone. Her curiosity was nurtured at the local SOS Children's Villages school through computer science classes, and she expressed her ambition to become an ICT Engineer. Now in secondary school, she is committed to excelling in science, further fuelled by the discovery of Makeni's Computer Lab.

"It is like a dream come true for me! Words cannot express how grateful and happy I am about the Lab."

- Aminata

Thanks to the generosity of the Geoff Herrington Foundation, SOS Children's Villages UK facilitated the installation of 20 computers in the Lab, which already has almost 400 regular users including children in alternative care, primary and secondary school students, SOS Children's Villages caregivers and other care professionals. Classes are led by an expert ICT tutor and include lessons on popular software applications, using the internet safely, basic programming and access to online mentoring opportunities.

Aminata has been elected 'Minister of Innovation, Information and Technology' in the Children's Assembly, a system established by the team in Makeni to encourage children's participation in the management of their own affairs. She advises on the management of the ICT equipment, ensuring everything is handled with care and bringing any concerns to the notice of staff. Thanks to the shared vision and effort of all involved, we are delighted to see children and young people empowered to shape their own futures, one click at a time.

Banner image: *Young people discussing a new business idea in Palestine* ***© Alea Horst***

Building for the future with Standard Chartered Foundation

In 2022, SOS Children's Villages UK strengthened its partnership with Standard Chartered Foundation's global Futuremakers initiative in Botswana, Côte d'Ivoire, Sri Lanka, Jordan, the Philippines, South Africa and Mauritius.

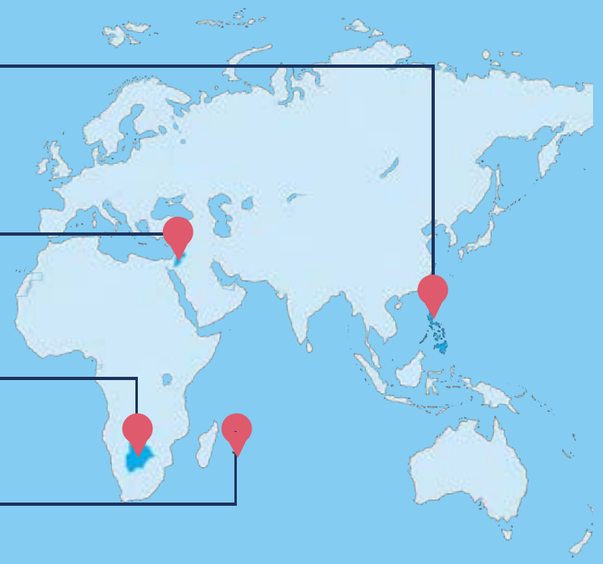
Our partnership made significant progress in 2022, with 1,039 young people participating in ongoing (rather than one-off) activities, 55% of whom were young women.

Other achievements included pioneering a strategic coalition and support network in Jordan to assist care leavers in finding work; improving education and literacy in Mauritius; and establishing youth hubs and skills training in the Philippines. Our partnership with Standard Chartered Foundation remains strong, with employee volunteering playing a crucial role across the various projects.

54
young people have so far found decent work

1,039
young people participated (in ongoing activities)

55%
young women participation



The Philippines: 201

young people received technical and vocational skills training and 5 youth hubs established

Jordan: 280

young care leavers registered on the Network for Support database

Botswana: 261

young people completed entrepreneurship training

Mauritius: 114

young people improved in school attendance, performance, and literacy

*Grace sitting at her sewing machine, Botswanna **©Standard Chartered**

Impact of our involvement in Futuremakers

*Grace, an imaginative and gifted young individual, is fuelled by her love for crafts and dressmaking. This passion had taken root during her formative years while being raised in the SOS Children's Villages community in Botswana.

Diagnosed with a learning disability early in life, Grace spent a decade in a special education class at her primary school. This limited educational experience stifled her growth, as the school struggled to address her unique needs.

Hope dawned when Grace's devoted SOS Children's Villages caregiver helped her discover the Standard Chartered Futuremakers 'Collective Communities' Project, in collaboration with the Motswedi Rehabilitation Centre. Through this, Grace enrolled in a vocational dressmaking course.

Excelling in her class, Grace not only honed her sewing expertise, but also significantly enhanced her social skills. The progress she made has now opened doors to higher education opportunities.

The project hosted a careers fair with diverse experts, offering guidance to 50 participants. Through this, Grace met a renowned designer, fuelling her fashion interest and discussing mentorship.

From a young person with limited opportunities at the beginning of the year, Grace's story is now an inspiring tale of determination, passion, and the transformative power of education.

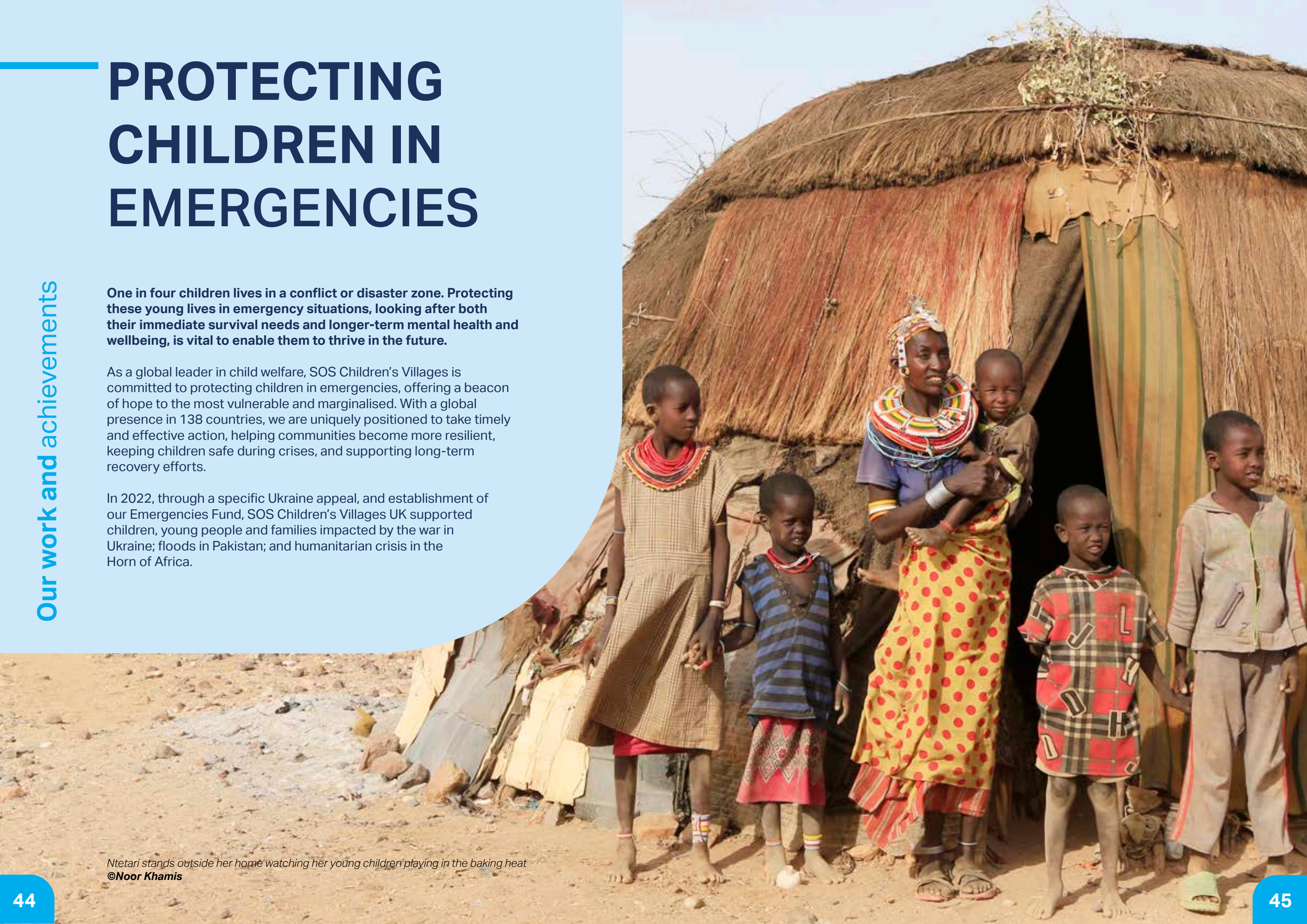
*Names changed to protect the privacy of the children.

PROTECTING CHILDREN IN EMERGENCIES

One in four children lives in a conflict or disaster zone. Protecting these young lives in emergency situations, looking after both their immediate survival needs and longer-term mental health and wellbeing, is vital to enable them to thrive in the future.

As a global leader in child welfare, SOS Children's Villages is committed to protecting children in emergencies, offering a beacon of hope to the most vulnerable and marginalised. With a global presence in 138 countries, we are uniquely positioned to take timely and effective action, helping communities become more resilient, keeping children safe during crises, and supporting long-term recovery efforts.

In 2022, through a specific Ukraine appeal, and establishment of our Emergencies Fund, SOS Children's Villages UK supported children, young people and families impacted by the war in Ukraine; floods in Pakistan; and humanitarian crisis in the Horn of Africa.



Ntetari stands outside her home watching her young children playing in the baking heat
©Noor Khamis

Protecting the most vulnerable

In 2022 SOS Children's Villages UK supported emergency action in Ukraine, Pakistan and the Horn of Africa.

When emergencies strike, our approach is centred around preventing family separation, reunifying families, and caring for unaccompanied and separated children – those most at risk during emergencies and their aftermath.

We provide emergency support in six key areas:

Emergency aid supplies

Group activities for child wellbeing

Preserving family unity

Interim alternative care

Education in emergencies

Mental health and psychosocial support

These 'pillars' serve as a blueprint for SOS Children's Villages UK's collaborative efforts with our international teams and other partners worldwide.

At the heart of our response in emergencies is the dedicated SOS Children's Villages International Global Emergency Response Team, which ensures that action is coordinated, informed, and effective across borders. Recognising the long-lasting impact of trauma on children, we give special attention to mental health and psychosocial support, equipping them with the tools to cope and heal.

Global humanitarian action

Globally, SOS Children's Villages reached 1,386,400 people through humanitarian action and emergency response in 2022, including 792,700 children.

SOS Children's Villages UK played a role in this, supporting global crisis programmes through our Ukraine Emergency Appeal and Emergencies Fund, to which combined our generous supporters donated a total of £552,000.

SOS Children's Villages UK contributed to emergency support that, through the combined efforts of SOS Children's Villages around the world, reached a total of 549,600 people.

Ukraine: A Global Emergency Response

When the war in Ukraine began, SOS Children's Villages UK launched an immediate Emergency Appeal contributing directly to global efforts, supporting the work of SOS Children's Villages in Ukraine and neighbouring countries in response to this crisis.

The war has had a devastating impact on the lives of millions of children, tearing families apart and depriving them of their basic human rights. As a result, an entire generation of children is at risk of growing up without the care and support they need to survive and succeed.

Children still in Ukraine, as well as those in countries that host displaced children and families, have a fundamental right to quality care and protection. Among the most vulnerable groups affected by the conflict are children without parental care, who face an increased risk of neglect, violence, and trafficking. Many of these children lack basic resources and have no means of escaping war zones, further exacerbating their dire situations.

Since the start of the war, SOS Children's Villages has provided immediate support in the form of aid, direct care of children, mental health support and practical support in accessing services, to the children and families caught up in the conflict. Through the support of our generous network of donors, SOS Children's Villages UK raised £519k through our appeal to contribute directly to these efforts.

Despite the support provided so far, the war appears far from over, and the trauma of this crisis will continue to affect lives for generations.

Banner image: SOS Children's Villages co-workers at the border crossing Hrebenne in Poland © ***Katerina Ilievska***

Over 205,646 people, including 74,000 children, received vital support through SOS Children's Villages programmes in Ukraine in 2022.

SOS Children's Villages provided essential aid to 24,000 people through Ukrainian Social Service Centres, which served as distribution points for humanitarian assistance. These also served as bomb shelters during the fighting.

In countries hosting Ukrainian refugees, 11,291 children and families were directly assisted with accommodation, mental health counselling, and support accessing schools and services.

23,000 people in Ukraine received cash and voucher assistance.

As of December 2022 SOS Children's Villages in Ukraine continues to provide long-term assistance to 628 children injured by the war and their caregivers.

17,000 children and families received critical mental health and psychosocial support.

Valentyna's journey

Valentyna, a devoted mother of nine children – including seven foster children – faced the daunting challenge of adjusting to a new life in SOS Children's Village Biłgoraj, Poland, after fleeing the war in Ukraine.

With the support of SOS Children's Villages, the family gradually settled into their new surroundings, with the children not only excelling in school but also embracing the Polish language.

In the early days, Valentyna grappled with depression, feeling overwhelmed by her children's problems, and struggling to adapt to the new environment. However, she discovered solace in creative outlets, such as drawing and crafting, which helped her find peace and regain her strength.

As the family started to engage with local events and share their rich Ukrainian heritage with their new community, they experienced a growing sense of connection and belonging. Valentyna and her children introduced their Polish friends to Ukrainian traditions, food, and culture, which not only fostered cultural exchange but also allowed them to express gratitude for the support they had received.

The assistance from SOS Children's Villages played a vital role in their adjustment, providing a supportive environment for Valentyna and her family to heal and grow. Through this experience, she learned the importance of being present, living in the moment, and not dwelling on her children's problems. This shift in perspective not only improved her mental health but also allowed her to realise her strength as a mother.

In the end, Valentyna's story is a testament to the power of resilience, the importance of community, and the crucial role organisations like SOS Children's Villages play in supporting families during war and times of crisis.

"At our age, it is difficult to start everything from the beginning, but thanks to our children and the constant support of SOS Children's Villages, we do not give up, we only go forward"

- Single mother from Ukraine

Valentyna and her daughters being creative in Poland **© Katerina Ilievska**

Responding to severe flooding in Pakistan

In 2022, unprecedented monsoon rains caused devastating floods in Pakistan, affecting over 33 million individuals, and displacing around 8 million people. Through our Emergencies Fund, SOS Children's Villages UK contributed to the efforts of SOS Children's Villages in Pakistan to provide aid and support to the flood-impacted communities in Sindh and Balochistan provinces.

Recognising the importance of mental health during these trying times, as well as providing emergency aid, SOS Children's Villages in Pakistan organised recreational activities for affected children, offering much-needed respite and promoting psychological wellbeing.

To date, including UK support, SOS Children's Villages in Pakistan has:

- **Reached 110,000 individuals affected by the floods**
- **Distributed 10,000 dry ration packs**
- **Provided 700 shelter kits**
- **Distributed 2,500 Water, Sanitation and Hygiene kits**

The struggle in Pakistan continues, with more than 10 million people lacking access to safe drinking water, resulting in increased waterborne illnesses and malnutrition among children. SOS Children's Villages continues to work tirelessly to support those affected.

A woman at the water's edge in Pangrio during a server flood, Pakistan ***© SOS Children's Villages in Pakistan***

Abdul and his daughter after the floods ***© SOS Children's Villages in Pakistan***

Resilience amidst devastation

Abdul Samad, a father and farmer from the Sindh province in south-eastern Pakistan, recalls the unusually heavy rain that led to the devastating floods in August 2022.

"I remember the rain pouring down relentlessly. This was the first time I had seen something like it… When I woke up, my house was already flooded." Saad Afzal of SOS Children's Villages in Pakistan, who works directly with affected families, says, "For many, rebuilding and replacing their belongings can be a long and challenging process, requiring resources many simply do not have."

Despite significant provisions and support from SOS Children's Villages in Pakistan, challenges such as access to safe drinking water, poor sanitary conditions, and waterborne illnesses persist.

"The floods may have destroyed our homes and crops, but they could not destroy our spirit."

- Abdul Samad

The psychological impact of the floods is also a struggle for those affected, with many experiencing depression, anxiety, and other mental health issues. "Children are particularly susceptible to these [mental health] struggles, as disrupting their daily routines and losing their homes and possessions can be extremely traumatic." – Saad Afzal, SOS Children's Villages in Pakistan

Despite the adversity, Abdul Samad remains positive. "Through it all, we have learned to be resilient. We have learned to come together as a community and support each other."

Drought in the Horn of Africa

The Horn of Africa is experiencing its worst drought in over 40 years, affecting communities in Ethiopia, Kenya, Somalia, and Somaliland.

According to the UN, 16.7 million people face acute food insecurity and severe water shortage, a number that could rise to 20 million. Over 7 million livestock have died, and food prices have been rising due to drought and disruptions from the war in Ukraine. 5.7 million children are acutely malnourished, and urgent action is required.

SOS Children's Villages Humanitarian Response

Through our Emergencies Fund, and with the support of our generous partners and donors, in 2022 SOS Children's Villages UK contributed £20k to SOS Children's Villages global emergency response to the Horn of Africa crisis. This could fund nutrition for 500 children or pregnant and lactating women in Somalia for three months, or provide essential farming tools for 50 livelihood recovery projects in Ethiopia.

This response has been critical for affected communities, like that of Rapsu in rural Kenya, whose inhabitants' traditional livelihoods of agriculture and cattle farming have been devastated by the drought.

Fario Hussein Gine, a resident of Rapsu, provides a personal account of the difficulties sharing, "I used to be a farmer, and I grew my own vegetables: corn, onions, tomatoes. But the lack of rain is a big problem... Now there is only harsh wind and no rain." Having lived in Rapsu for over 10 years, Fario has had to resort to selling her livestock to fund her children's education while struggling to provide necessities.

"I just pray to God for rain so the grass can grow"

- Teacher Paul Lechornai

The effects of the drought extend to the local school system. Teacher Paul Lechornai reports dwindling school attendance as the food crisis worsens. "Instead of sending their children to school, parents take their children with them to look for work and food... It's very difficult to teach a hungry child," he reveals.

Amidst the drought, disputes have erupted between farmers and migrating herders searching for resources. "Drought is like war" says Guyo Godana, a local cattle farmer, sharing the harsh reality of the situation.

The global emergency response from SOS Children's Villages in the Horn of Africa targeted crucial areas based on the needs of the region in 2022:

Protection – 13,432 children, women, and girls received lifesaving and life-sustaining protection services. Through case management, child-friendly spaces, survivor-centred care, and mental health and psychosocial support.

Food Security – 14,452 caregivers and families received food baskets and multi-purpose financial transfers to provide immediate access to nutrient-dense foods and reduce the prevalence of hunger and related mortality.

Health – Comprehensive primary healthcare and nutrition services were provided for **452,280** individuals, including women, children, internally displaced persons, and host communities affected by drought and conflict.

Nutrition – Nutrition support was provided to **51,730** people, including pregnant and lactating women, and children aged between 6 to 59 months, who were at risk of or were already malnourished, providing specialised nutritious diets to treat or prevent malnutrition.

Water, Sanitation and Hygiene (WASH) – **67,404** households received WASH support, providing clean water, distributing essential non-food items and water treatment chemicals, and raising sanitation awareness among drought-affected populations and host communities.

As we look to the future, SOS Children's Villages UK remains committed to our continued support of SOS Children's Villages international humanitarian response.

Portrait of Farhiya with her small onion harvest ***© Lydia Mantler***

OUR ORGANISATION AND PEOPLE

Girls skipping in their garden © ***Alea Horst***

Strengthening systems and processes

In 2022, we invested in improving our systems and processes, in particular IT, donor relationship and financial management, through the introduction of a new Salesforce CRM and financial software (Accounting Seed). This will enable us to understand our supporters better, improve our services to them, and improve efficiency, making us better able to support children and young people around the world in the future.

Protecting children and ensuring compliance

High standards of safeguarding are fundamental in supporting children to grow up feeling safe, loved and respected. We continued to make significant improvements across the federation to ensure the safety of all those who come into contact with SOS Children's Villages, and in particular the children, young people and families we work with. SOS Children's Villages International continued to report on the progress it was making against its Safeguarding Action Plan, through its progress reports.

Read more on this progress: Safeguarding Action Plan Progress Report

In 2022, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. We continued to promote our requirement that programme visitors, such as child sponsors, undertake a suitable background check and briefing prior to visiting a programme location.

In addition to the Safeguarding Committee of the Board of Trustees, which reviews programme oversight responsibilities and donor and Charity Commission reporting, SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America child safeguarding and integrity network to share learning and best practice.

Safeguarding incidents reported by SOS Children's Villages International

We receive and monitor regular incident reports from SOS Children's Villages International, and in particular those that relate to programmes we support. We reported to the Charity Commission allegations concerning a member of staff of SOS Children's Villages Liberia which had been brought to our attention by SOS Children's Villages International. SOS Children's Villages UK part-funded a health centre operated by SOS Children's Villages Liberia in 2021, but there is no information to suggest that the incidents related in any way to that project.

For more information on safeguarding incidents, please see the Child Safeguarding Annual Reports.

Serious incident reports to the Charity Commission

We continued to update the Charity Commission on a previously reported allegation of serious fraud involving at least one employee of SOS Children's Villages Zambia, one of our programme partners. Further external advice was sought by SOS Children's Villages Zambia with regards to tracing and retrieving lost funds. No employees of or volunteers for SOS Children's Villages UK are involved and there was no loss to the Charity's funding or impact on the Charity's beneficiaries. SOS Children's Villages UK continues to work closely with SOS Children's Villages Zambia and its other funding partners to manage the outcomes of the incident.

Supporting our staff

The work and achievements of SOS Children's Villages UK would not be possible without the passion, commitment and ambition of our staff team. In 2022, we employed an average of 25 people throughout the year.

SOS Children's Villages UK is committed to being a diverse and inclusive charity. We aim to demonstrate support for all our employees and volunteers, valuing each individual's contribution regardless of age, gender, gender identity, sexual orientation, marital status, civil partnership status, disability, nationality, race, religion or belief. We are committed to providing equal opportunities for all employees and volunteers.

In 2022, we continued to support flexible working in order to recruit and retain the best staff. We also continued to provide a number of additional benefits to staff, including extra non-bank holiday working days during the office closure between Christmas and New Year; an Employee Assistance Programme; pension scheme; life assurance cover; travel loan; cycle to work scheme; enhanced sick and maternity pay; volunteer days and a sabbatical leave policy.

This year we began a staff benefits review, which will be completed in 2023, to better reflect our hybrid workplace, ensuring we continue to reward staff in a way that is commensurate with the Charity's size and scale.

Information about our aims, activities and other relevant information was disseminated to all staff and volunteers through briefings, meetings and written documents. The Charity consulted with and involved all staff on key issues through regular team meetings, planning sessions and away days.

FUTURE GOALS AND PLANS

In 2023, SOS Children's Villages UK will continue to work within our Strategic Framework 2022-2024, which aligns with the wider SOS Children's Villages Federation Strategy 2030. We will strive towards increasing our impact and effectiveness to ensure that children and young people around the world without parental care or at risk of losing it grow up feeling safe, loved and respected.

The four objectives we have set for 2023 build on our 2022 goals, while taking account of the changing global and economic context, including the cost-of-living crisis and ongoing war in Ukraine.

An SOS Mother and children sitting in a circle in India © ***Alea Horst***

Objective 1

Continue to support children who have lost parental care and families at risk of breakdown, assisting partners to sustain programmes with longer-term impacts, while developing resilience to respond to new crises as they emerge; supporting families with livelihoods and resilience-related programmes; continuing to develop education and employability programmes for young people; and amplifying our impact by increasing the number of children, families and communities we support.

Objective 2

Continue our long-term support for children and young people in Basse, The Gambia and Chipata, Zambia, together with vulnerable families in the region. Working with our Gambian and Zambian colleagues, as well as other SOS Children's Villages colleagues who support this work, we will identify the changes and actions needed to continue to ensure the programmes being delivered are in the best interests of each child, and contribute as part of SOS Children's Villages Strategy 2030.

Objective 3

In line with the continued focus and improvements within the SOS Children's Villages federation, work to strengthen the safeguarding of children, young people and staff, with our SOS Children's Villages programme-delivery partners and within our UK operations, reviewing and refining our policies, processes and practices, and ensuring changes are implemented.

Objective 4

Continue to invest in our people, systems, processes and operations, developing the infrastructure necessary to strengthen our fundraising further, with the specific aim to increase our unrestricted income to 40% of our total income, and making long-term commitments to the SOS Children's Villages programmes we support globally and to working in partnership to amplify our impact.

THANK YOU
TO OUR SUPPORTERS

- Ali Family
- Andy Bond
- Cambridge University Press & Assessment
- CB & HH Taylor 1984 Trust
- Christopher Keljik OBE
- Claire's
- Cleveland Technologies Group
- Evan Cornish Foundation
- FactSet
- From Babies with Love
- Geoff Herrington Foundation
- Lighthouse Giving
- Lines & Current
- M&G plc
- Mars Ireland
- Mary, Alex and Louisa Scott, in memory of Robert Scott
- Michael Hewitt in memory of Professor Lis Mosekilde
- Nash Squared
- PDFoundation
- Pinsent Masons
- QBE Foundation
- SOS Pakistan Supporters' Group UK
- Standard Chartered Foundation
- Subsea 7
- The Harrison-Frank Family Foundation
- TransferRoom

A big **Thank You** to all our supporters and partners, including those who wish to remain anonymous, for their generosity and commitment to our programmes.

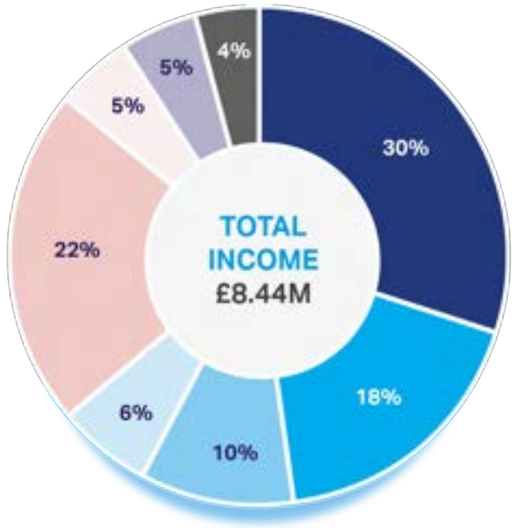
The kindness, dedication and support shown by supporters – in what was another turbulent and difficult year for everyone – was truly inspiring and we are immensely grateful for it. All donations help us to make a difference and ensure that children everywhere can develop the bonds they need to thrive and grow up feeling safe, loved and respected.

We also wish to extend a warm Thank You to those who have raised awareness of our work and who have fundraised by taking part in challenges, quizzes and other activities.

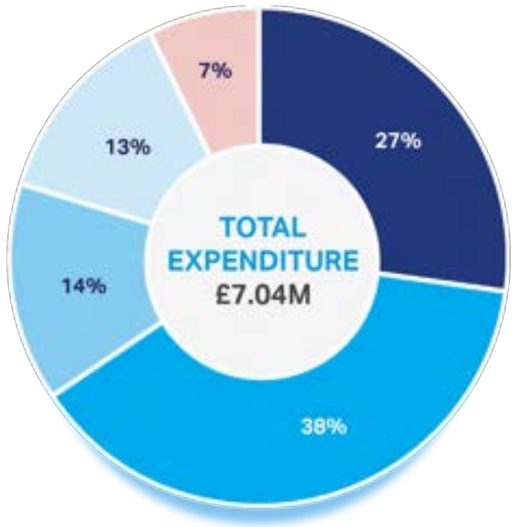
We especially want to remember and acknowledge all those far-sighted supporters who kindly gave and fundraised In Memoriam of a loved one and who left a gift to the work of SOS Children's Villages UK in their Will. Their legacy continues to make a lasting impact to the lives of children, their families and communities. Thank you all for your kind support.

A young girl standing outside her house in Tanzania **© Lars Just**

FINANCIAL REVIEW



2021	2022	
28%	30%	Child and village sponsorships
11%	18%	Coporate partnerships
5%	10%	Trusts and foundations
7%	6%	Indivduals and community groups
35%	22%	Legacies
6%	5%	Gift Aid
7%	5%	Institutional donors
1%	4%	Other income



	2022	2021
Strengthening families	14%	8%
Caring for children	38%	52%
Youth employability and education	13%	8%
Protecting children in cmergencies	7%	5%
Raising funds and support costs	27%	28%

How we spent your money

- 73p: Activities to support children, families and young people.
- 27p: Raising funds and support costs

Governance and support costs have been apportioned across charitable activities, and raising funds and support.

SOS Children's Villages UK's reach continued to grow in 2022 as the Charity adapted and evolved to meet the rising challenges of the war in Ukraine and other global crises.

Income

Total income in 2022 increased to £8.44m and was £0.59m (8%) higher than the 2021 outturn of £7.85m. This was due to the consistent generosity and loyalty of our supporters, as well as our ability to secure new partnerships with corporates and trusts and foundations, and broaden our donor reach through our investment in fundraising. All income streams have exceeded the results from the prior year, especially due to a new fundraising campaign to raise funds to help children affected by the war in Ukraine.

As of 31 December 2022, the legacy pipeline held an estimated value of £0.8m. These are legacy gifts we have been notified of but which do not meet our recognition criteria for income in 2022.

Expenditure

Expenditure in 2022 at £7.04m was £1.82m (35%) higher than 2021 spend of £5.23m.

Fundraising Activities

Exceptional investment in fundraising activities of £758k has increased compared to £512k invested last year. In 2022 we continued to scale up our fundraising investment to increase the Charity's income, with a particular focus on unrestricted funds and growing unrestricted regular giving, as well as raising our UK brand profile to appeal to new audiences with differentiated propositions.

By the end of 2022, the new donor acquisition campaign returned an increase to our total income of £1.24m, adding £0.35m in unrestricted funds, and £0.89m in restricted funds.

Charitable Activities

As a result of raising higher than expected income, we have been able to support more children globally, including those impacted by the war in Ukraine. In 2022, we directly supported over 4,500 children in 108 countries, providing quality, alternative care, including in The Gambia and Zambia. Equally we continued to increase our focus on the prevention of situations in which children are at risk of losing parental care through family strengthening programmes that offer long-term, sustainable solutions. Through our youth education, empowerment and employability programmes, we prepared young people to live independent lives and develop the skills to enable them to sustain their own livelihoods and families in the future. In response to global crises, this year we also launched our Emergencies Fund, and a specific Ukraine Emergency Appeal to provide funds directly to help children fleeing the conflict.

Reserves

The 31 December 2022 unrestricted reserves position is £2.9m which is classified as follows:

Designated Funds – As of 31 December 2022 the Charity had one designated fund which was created, at the discretion of the Trustees, to protect against any potential foreign exchange loss. It continues to be maintained at a minimum of 5% of the annual value of our international transfers and the fund balance was £206k. The second designated fund for investment in our fundraising strategy has now been fully utilised.

General Funds - The Board of Trustees requires the Charity to maintain readily accessible assets sufficient to fund not less than nine and not more than twelve months of running costs, at all times. In 2022 this equated to £1.78m - £2.39m, and as of 31 December 2022, the net operational reserves were £2.39m which provides a 12-month cover of running costs.

Included in the above, our reserves have £0.3m to ensure we can fulfil our obligations to safeguard two specific programmes, in Chipata, Zambia, and Basse, Gambia, protecting the future of the children and families in those programmes.

Investments

Investments are overseen by the Audit and Risk Committee. Professional Fund managers have been appointed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

The Charity has two portfolios: an equity growth portfolio, and a short-dated corporate bond portfolio. As at 31 December 2022, the value of the investment was £1,228k which was £23k lower than the previous year, due to the wider effects of the stock market downturn in 2022.

How we raise money

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this, we work in close partnership to build transparent relationships with donors, supporters, grant making organisations and corporate partners, and with the SOS Children's Villages programme teams, aiming for accountability in all that we do. Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018 and the Code of Fundraising Practice.

In 2022, we have continued to ensure open dialogue and clear lines of communication with our donors. This has included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators.

As we work with children and families in very disadvantaged areas, including in conflict, disaster zones and crises, the work of SOS Children's Villages is complex and challenging – and our reporting reflects this.

When supporting individual fundraisers, we provide them with an agreement making clear how they should promote their activity, how to fundraise effectively and without undue pressure; how the funds raised will be spent; and ensuring they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. They are given a named contact at SOS Children's Villages UK to support them and answer any questions.

We regularly monitor and review activities undertaken in support of SOS Children's Villages UK, through supporter feedback, tracking online activity, prompt follow-up after fundraising activities have taken place and ongoing dialogue.

Our fundraising staff receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate supporters who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person's privacy or is unreasonably persistent in their actions, so as to protect vulnerable people, as reflected in our written agreements with our partners.

young people in Ethiopia watering plants © **Petterik Wiggers**

Portrait of mother and child from Ukraine, now living in SOS Children's Village Dren, Bulgaria **© Katerina Ilievska**

Corporate commercial participators include:

Lines & Current donates 10% of profits to SOS Children's Villages UK every year, donated quarterly. DeMellier donates £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually. Humble Warrior donates 2% of its revenues annually. Donations are paid annually.

All partnerships are formalised through a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children's Villages UK is not aware of any complaints raised regarding any of these activities undertaken by our corporate partners. All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice.

SOS Children's Villages UK is not aware of any complaints raised regarding any employee fundraising activities. Our Ethical Partnership Policy sets out the criteria for determining whether we can accept donations. This is reviewed on an annual basis to ensure it is kept up to date. Further information including a link to the Ethical Partnerships policy can be found on our website.

We received 233 complaints about our fundraising activities in 2022, showing an increase of 107 compared to 2021 reflecting an increase in our fundraising activity. All were resolved to the satisfaction of the individuals raising the issues and none of these complaints were escalated. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

In 2022 we continued to engage in public-facing fundraising activities again, such as Face-to-Face, Door-to-Door, and private site fundraising. These activities helped us increase our supporter numbers significantly.

As part of our three-year strategy, we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of the pandemic, which still affected many people in 2022, and an unpredictable fundraising environment in light of the cost-of-living crisis.

We continue to be humbled by the reassuring messages received from our supporters, many of whom renewed their commitment to our work in 2022, and we are grateful to all our donors, who make the work of SOS Children's Villages possible.

If you have any questions about any aspect of our fundraising, please don't hesitate to get in touch with Susanne Owers, Director of Fundraising, at susanne.owers@sosuk.org.

RISK MANAGEMENT AND INTERNAL CONTROLS

The risks the Charity faces are formally reviewed twice a year. Any new risks that are identified are assessed in terms of the likelihood of their occurrence and their potential impact, in order to rank all risks. Significant risks are highlighted for consideration and monitoring by the Finance and Audit Committee and reported to the Board of Trustees twice a year. The Senior Management Team (SMT) takes the lead in terms of day-to-day management of these and other operational risks and reports on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

The Charity operates a comprehensive annual planning and budgeting process, which is approved by the Trustees. Performance is monitored through the use of financial targets and other key performance indicators. Reports are made to the Trustees which compare actual results against the phased budget and which link financial and other performance with resource and activity levels.

As part of their audit of the financial statements, the Charity's Auditors review the internal controls for the purpose of the audit. SOS Children's Villages UK does not have dedicated internal auditors.

Below is a list of five major risks the Trustees have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
Reputational risk arising from the actions or omissions of other SOS Member Associations or the General Secretariat	• Establish and maintain good working relationships with key media outlets. • Develop staff understanding of SOS Children's Villages work, strengths and challenges. • Board of Trustees Safeguarding Committee to improve oversight. • Maintain close working relationship with the General Secretariat Communications Team. • Contribute to Secretariat Crisis Communications Planning. • Crisis Communications process rolled out to staff.
Child or vulnerable person safeguarding incident	• Child and Vulnerable People Safeguarding Policy in place and implemented. • Regular review of safeguarding outcomes and reporting by the Safeguarding Committee of the Board of Trustees. • Programme visit protocol for staff, volunteers and donors in place and implemented. • Staff and Trustee training. • New staff induction.
Short term changes to programming and priorities within the Federation impacting on funding relationships.	• Establish and maintain good working relationships with Federation Regional offices. • Establish and maintain good working relationships with National Association Directors and Project Managers. • Contribute to Federation discussions on programming and priorities. • Keep donors informed.
Failure to meet income targets	• Monthly management accounts report to SMT to identify challenges and take mitigating actions. • Ongoing cash flow monitoring. • Quarterly reporting to the Board of Trustees, including income and reserves projections. • Ongoing investment in fundraising strategy to grow charitable income and spread risk across income channels • Maintenance of reserves to cover funding commitments if necessary
Loss or misappropriation of the Charity's financial assets	• Control procedures in place for approving financial transactions • Appropriate insurance in place. • Purchasing process in place. • Annual audit. • Regular reporting against budgets. • Quarterly reporting to the Board of Trustees.

STRUCTURE GOVERNANCE AND MANAGEMENT

Charitable Objects

The objects of the Charity are set out in the Articles of Association, which were revised and agreed by the Board of Trustees in December 2017. In summary, these are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by the establishment and maintenance throughout the world of SOS Children's Villages and the education of children and young persons from SOS Children's Villages.

SOS Children's Villages Federation

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. While we support a variety of programmes helping children, young people and families in different countries around the world, we have a long-standing commitment to The Gambia and Zambia, where we support specific programme activities.

Board of Trustees

SOS Children's Villages UK is governed by a Board of Trustees, which in 2022 consisted of seven members, who are legally responsible for directing the affairs of the Charity and are also the directors of the company for the purposes of the Companies Act 2006.

Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. They are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees.

In 2022, we started working with Diversifying Group to recruit a further four trustees, aiming to make the process more inclusive and diverse. These new trustees took up their responsibilities in May 2023, bringing additional skills and knowledge to the Board, in particular in the areas of finance, HR and communications. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background in order to support the Charity's operations.

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board delegates day-to-day management of the Charity through the Chief Executive to the Senior Management Team, while delegating specific responsibilities to the Board's sub-committees:

- The Finance & Audit Committee meets at least four times a year to review the Charity's annual financial statements; internal financial control and risk management systems; and external and internal audit matters.
- The Human Resources Committee meets twice a year to oversee the Charity's people management policies and best practice implementation.
- The Safeguarding Committee meets twice a year to oversee the Charity's safeguarding duty of care, and review outcomes and reporting.

The Trustees do not receive any remuneration for their services. Trustees may claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties. The members of the company comprise all of the Trustees.

The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. In 2021, an external recruitment agency supported the search for an appointment of a new Chair as result of which Harpinder Collacott was appointed to the role with effect from 1 January 2022. In 2022 the Board of Trustees also evaluated its performance using Governance: A Guide for International NGOs. It subsequently started a recruitment process for new Trustees, supported by an external recruitment agency.

Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role. Remuneration for the Senior Management Team is set by the Chief Executive Officer, in accordance with the Pay Policy agreed by the Board of Trustees.

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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 2019).

Public Benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

SOS Children's Villages UK fulfils the public benefit by the relief of poverty, and improvement of poor education and health outcomes for children and their families. Details about the specific programmes pursued can be found throughout this report.

Policies and procedures for the induction and training of trustees

The Trustee induction and training programme is comprised of a variety of activities spread over a period of time, including:

- meetings and introductions to other trustees, employees and beneficiaries
- invitations to events, meetings and presentations
- a trustee induction pack
- access to relevant training, including through National Council for Voluntary Organisations (NCVO).

A group of children laughing in Bangladesh © ***Alea Horst***

PRESIDENT

Dame Mary Richardson DBE

BOARD OF TRUSTEES

CHAIR

Harpinder Collacott (appointed on 1 January 2022)

VICE-CHAIR/TREASURER

Matthew de Villiers

BOARD MEMBERS

Graham Budd

Suli Hampson (appointed 13 April 2023)

Don Haszczyn (resigned 06 October 2022)

Nicola Robert

Ian Briggs

Solava Ibrahim

Susie Hargreaves (resigned 02 December 2022)

Louise McDonald (appointed 13 April 2023)

Janet Reilly (appointed 13 April 2023)

Jon Steinback (appointed 13 April 2023)

ORGANISATIONAL DETAILS

Registered office:
Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent Auditors:
Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Principal Bankers:
Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:
Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Company Registered No. 03346676

Charity Registered No. 1069204

COMPANY SECRETARY

Begay Jabang, Director of Finance and IT

Alison Wallace, Chief Executive officer (from 03 February 2023)

SENIOR MANAGEMENT TEAM

Alison Wallace, Chief Executive officer

Susanne Owers, Director of Fundraising

Catherine Weston, Director of Communications and Brand (resigned 31 October 2022)

Sarah Bradford, Director of Communications and Brand (appointed 06 February 2023)

Craig Mullaly, Director of Individual Giving

Begay Jabang, Director of Finance and IT (resigned 9 February 2023)

Evgeny Dmitriev (appointed 13 February 2023)

DISCLOSURE OF INFORMATION TO AUDITORS

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.

Trustees' Responsibilities

Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Charity. In preparing the financial statements, the Board of Trustees is 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 assume that the Charity will continue its activities
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These must be sufficient to show and explain the Charity's transactions. They should disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that its financial statements comply with the Companies Act 2006. The Trustees have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity, and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 13 July 2023. Signed on its behalf on 13 July 2023.

by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

A mother hugs her daughter in Palestine © ***Salma Inani***

INDEPENDENT AUDITOR'S REPORT

To the members of SOS Children's Villages UK

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 Charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' 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 SOS Children's Villages UK'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting doumentation, concerning the charity's policies and procedres relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

Noelia Serrano
(Partner)

for and on behalf of

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Sayer Vincent LLP

Date: 27 July 2023

Siblings playing with each other outside their house. ***© Jakob Fuhr***

FINANCIAL STATEMENTS

Statement of Financial Activities
(including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Donations and legacies	2	5,101,702	3,033,321	**8,135,023**	**7,797,706**
Other income	3	0	287,482	**287,482**	**50,075**
Investments	4	0	18,938	**18,938**	**1,005**
TOTAL INCOME		**5,101,702**	**3,339,741**	**8,441,443**	**7,848,786**
EXPENDITURE					
Raising funds and support costs	5	224,711	2,384,684	**2,609,395**	**1,481,617**
Charitable activities	5	4,060,013	373,575	**4,433,588**	**3,744,058**
TOTAL EXPENDITURE		**4,284,724**	**2,758,259**	**7,042,983**	**5,225,675**
Net gains/(losses) on investments		0	(24,937)	**(24,937)**	**155,497**
NET MOVEMENT IN FUNDS		**816,978**	**556,545**	**1,373,523**	**2,778,608**
Reconciliation of funds: Total funds at 1 January 2022	14	3,122,348	2,340,066	**5,462,414**	**2,683,806**
TOTAL FUNDS AT 31 DECEMBER 2022	14	**3,939,326**	**2,896,611**	**6,835,937**	**5,462,414**

All activities relate to continuing operations.

The notes on pages 85-103 form part of these financial statements.

Balance Sheet
as at 31 December 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible Assets	10	**293,527**	**124,882**
Tangible fixed assets	10	**15,974**	**17,261**
Investments & long term deposits	11	**1,228,353**	**1,253,290**
TOTAL FIXED ASSETS		**1,537,854**	**1,395,433**
CURRENT ASSETS			
Debtors	12	**975,933**	**3,116,020**
Cash at bank and in hand		**5,572,593**	**2,082,885**
TOTAL CURRENT ASSETS		**6,548,526**	**5,198,905**
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	**(1,250,443)**	**(1,131,923)**
NET CURRENT ASSETS		**5,298,138**	**4,066,981**
TOTAL NET ASSETS		**6,835,937**	**5,462,414**
FUNDS OF THE CHARITY			
Restricted income funds	14	**3,939,326**	**3,122,348**
Unrestricted income funds	14	**2,896,611**	**2,340,066**
TOTAL CHARITY FUNDS		**6,835,937**	**5,462,414**

The attached notes on pages 85-103 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 13 July 2023 and signed on their behalf by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

Statement of Cash Flows

For the year ended 31 December 2022

	Total 2022 £	Total 2021 £
Net expenditure for the year (as per the Statement of Financial Activities)	**1,373,523**	**2,778,608**
Adjustment for:		
Depreciation of fixed assets	**4,554**	**4,335**
(Gain)/Loss on fixed assets disposals	**0**	**174**
(Gain)/Loss on investments	**24,937**	**(155,497)**
Dividends, interest and rents from investments	**(18,938)**	**(1,005)**
(Increase)/Decrease in debtors	**2,140,086**	**(2,251,002)**
(Decrease)/Increase in creditors	**118,520**	**(128,835)**
Net cash used in Operating Activities	**3,642,682**	**246,778**
Cash Flows from Investing Activities		
Bank interest received	**18,938**	**1,005**
Purchase of Fixed Assets - Tangible	**(3,267)**	**(1,032)**
Purchase of Fixed Assets - Intangible	**(168,645)**	**(124,882)**
Net cash provided by / (used in) Investing Activities	**(152,974)**	**(124,909)**
Change in cash and cash equivalents in the year	**3,489,708**	**121,869**
Cash and cash equivalents brought forward	**2,082,885**	**1,961,016**
Cash and cash equivalents carried forward	**5,572,593**	**2,082,885**

The notes on pages 85-103 form part of these accounts.

Notes to the Financial Statements

For the year ended 31 December 2022

SOS Children's Villages UK is incorporated in the United Kingdom as company limited by guarantee, company number 03346676 and is a registered charity in England and Wales, registration number 1069204. SOS Children's Villages UK is a Public Benefit Entity whose registered office and operational address is Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB.

1. Accounting policies

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) for Accounting and Reporting by Charities, the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 18. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

Going concern

Whilst the COVID 19 pandemic has created unprecedented disruption of normal operations and created uncertainty about the future as a Charity we have been able to successfully adapt the way we work. A going concern review process is in place which includes a 5-year financial projection and scenario planning of income and expenditure and levels of reserves forecast. The financial plan takes into consideration the current economic and geo-political conditions and their impact on our main income streams and consequent implication for fundraising investment as well as normal spend levels. The Trustees are regularly monitoring the Charity's finance as well as key risks and therefore have a reasonable expectation that SOS Children's Villages UK has sufficient resources to continue in operational existence for the foreseeable future and they consider that there are no material uncertainties about the Charity's ability to continue as a going concern and these accounts have therefore been prepared on this basis.

1. Accounting policies (continued)

1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 11 members of the company being the Trustees named on page 73. The registered office address is also shown on page 73.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the purposes they have been raised by the Charity and are shown as restricted funds in the statement of financial activities. An analysis of the movements on restricted funds is set out in Note 14 after allowable expenditure has been applied.

Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and a contingency fund for other unidentified operational issues.

2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:

a.) Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income. In 2021 these funds were fully utilised.

b.) The Trustees anticipate the designated reserves to be fully utilised over the coming next three years.

An analysis of the movements on unrestricted funds is set out in Note 14.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and grants received during the year are fully accounted in that year unless they are subject to performance-related conditions or other terms and conditions that may prevent income recognition.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and are treated as unrestricted income unless otherwise specified by the donor and is recognised at the time of the donation.

Legacies are recognised when receipt is reasonably certain, and the amount can be reliably measured. Receipt of a legacy, in whole or in part, is only considered reasonably certain when the charity has been notified of the executor's intention to make a distribution following the agreement of the estate's accounts. Where the charity is aware of the granting of probate, but the final or interim estate accounts have not been received to determine amounts receivable, then the legacy is treated as a contingent asset and disclosed if material. However, income relating to both pecuniary and residuary legacies is accrued if the amount is material and the Charity has received evidence to support its receipt within six months of the year end.

Gifts in kind i.e. goods, facilities and services donated for the charity's use, are included at a value equivalent to that which the charity would ordinarily incur on them and, are recognised in the Financial Statements, as both income and expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. governance costs are allocated to the applicable expenditure headings.

Charitable expenditure relates to work undertaken by the charity, in supporting children and Children's Villages in which children without parental care live, delivering family strengthening and youth empowerment programme, responding to emergencies including COVID 19, sector strengthening and capacity building. Expenditure on charitable activities includes both costs that can be directly allocated as well as costs of an indirect nature such as support costs incurred to provide the infrastructure and critical Finance, HR, admin and IT service as well as a share of the governance costs.

The costs of raising funds relate to the costs incurred by Charity on activities to generate donations grants and legacies and to keep donors informed about our work. Costs are made up of salaries of people working on fundraising, supporter care and the direct costs of running fundraising campaigns as well as the indirect costs necessary to support fundraising activities.

Support costs comprise the infrastructural and organisation services that support the charitable activities. i.e. the salary of the support functions such as Finance, IT, Human Resources & Admin, the Chief Executive's Office, rent, office running cost and the fee paid for being a member of the SOS Children's Villages federation.

Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include a percentage of salaries for time spent on governance, company secretarial and external audit costs, legal, tax advice, meeting costs of the Board and its Committees and an allocation of support costs.

1. Accounting policies (continued)

1.6 BASIS OF EXPENDITURE ALLOCATION

The greatest proportion of the Charity's expenses are directly attributable to either raising funds or specific charitable activities. The remaining costs relate to support and governance costs which support more than one activity and are as a result allocated to raising funds and charitable activities based on staff time.

The basis of cost expenditure allocation is reviewed periodically for reasonableness.

1.6 TANGIBLE & INTANGIBLE FIXED ASSETS AND DEPRECIATION

A new deprecation policy has been introduced in 2021 and so now all items costing more than £1,000 and are expected to have and economic useful life beyond 1 year are capitalised.

Tangible and Intangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible Assets -Furniture & Fittings	10% per annum
Tangible Assets - Office Equipment	20% per annum
Tangible Assets- Computer Hardware	20% per annum
Intangible Assets- Software	14%-20% per annum

1.7 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the SOFA.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.9 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

1.11 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.12 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 PENSIONS

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

1.15 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, at the bid rate. All other assets and liabilities are recorded at cost which is their fair value.

1.16 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities in the year (2020: Nil). Income Tax incurred by deduction is reclaimed in full from the HMRC.

SOS Children's Villages UK is registered for VAT.

1. Accounting policies (continued)

1.17 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies described above, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting estimates that have an effect on the amounts recognised in the financial statements are described in the accounting policies and detailed in the relevant notes to the accounts:

a.) grant, legacy and gift in kind income are detailed in Note (2)

b.) The allocation of support costs which requires a judgement on the most appropriate basis to apportion costs and are detailed in Note (6)

c.) accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

Note 2 Income from donations and legacies - Current Year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Gifts and donations	4,378,543	1,460,315	**5,838,858**	**4,597,895**
Legacies	713,846	1,140,580	**1,854,426**	**2,766,730**
Gift Aid	9,313	432,425	**441,738**	**433,081**
Total donations and legacies	5,101,702	3,033,321	**8,135,023**	**7,797,706**

In 2021, the Charity secured a 3 year grant from another member of the federation, Hermann Gmeiner(HGFD) to support the growth of SOS Children's Villages UK. The grant amount for 2022 came to £390,780

By the 31 December 2022 the Charity has been notified of legacies carrying an estimated value of at least £0.8m which have not been recognised as income in the year because the SORP FRS102 income recognition criteria has not been met.

Note 3 Other Income

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other Income	0	287,482	**287,482**	**50,075**

In 2022 the Charity received £287,482 from another member of the federation under a funds swap arrangement

Note 4 Investment Income

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receiveable	0	18,938	**18,938**	**1,005**
Dividends receivable	0	0	**0**	**0**
Investments	0	18,938	**18,938**	**1,005**

Note 5 Analysis of Expenditure - 2022

	Activities directly undertaken 2022 £	Support costs 2022 £	Total 2022 £
Cost of raising funds:			
Costs of raising donation income	806,959	329,081	**1,136,040**
Exceptional investment in fundraising strategy	758,374	0	**758,374**
Total cost of raising funds	**1,565,333**	**329,081**	**1,894,414**
Charitable activities:			
Caring for children	2,346,516	329,013	**2,675,529**
Strengthening families	868,349	121,754	**990,103**
Youth employability and education	816,204	114,443	**930,647**
Protecting children in emergencies	424,000	59,451	**483,451**
Total Charitable Activities before exchange movements	**4,455,069**	**624,661**	**5,079,730**
Exchange gain		68,839	**68,839**
Total Charitable Activities after exchange movements	**4,455,069**	**693,500**	**5,148,569**
Total Expenditure	**6,020,402**	**1,022,581**	**7,042,983**

Support costs include the impact of an exchange loss of £60,173 (in 2021 a gain of £145,747). Refer to note 6 for further breakdown of Support Costs.

Included in costs of charitable activities are grants of £1,020,029 (2021: £433,879) payable to recipients via SOS-Kinderdorf International.

Analysis of Expenditure - 2021

	Activities directly undertaken 2021 £	Support costs 2021 £	Total 2021 £
Cost of raising funds:			
Costs of raising donation income	637,193	332,452	**969,645**
Exceptional investment in fundraising strategy	511,972	0	**511,972**
Total cost of raising funds	**1,149,165**	**332,452**	**1,481,617**
Charitable activities:			
Caring for children	2,382,007	402,516	**2,784,524**
Strengthening families	381,665	58,648	**440,312**
Youth employability and education	358,745	59,863	**418,608**
Protecting children in emergencies	211,130	35,231	**246,361**
Total Charitable Activities before exchange movements	**3,333,548**	**556,257**	**3,889,805**
Exchange gain		(145,747)	**(145,747)**
Total Charitable Activities after exchange movements	**3,333,548**	**410,510**	**3,744,058**
Total Expenditure	**4,461,233**	**764,442**	**5,225,675**

Support costs include the impact of an exchange gain of £145,747 (in 2020 £99,037). Refer to note 6 for a further breakdown of Support Costs.

Note 6 Support costs - 2022

	Raising funds 2022 £	Charitable activiites 2022 £	Total funds 2022 £
Personnel costs	136,067	79,284	**215,351**
Premises cost	36,991	21,554	**58,545**
IT & website costs	28,003	16,317	**44,320**
Other support costs	128,019	411,547	**539,567**
Governance (note 7)	0	164,799	**164,799**
Total	**329,081**	**693,500**	**1,022,581**

Support costs - 2021

	Raising funds 2021 £	Charitable activiites 2021 £	Total funds 2021 £
Personnel costs	174,934	101,931	**276,865**
Premises cost	36,090	21,029	**57,118**
IT & website costs	47,980	27,957	**75,937**
Other support costs	73,448	236,115	**309,563**
Governance (note 7)	0	169,225	**169,225**
Total	**332,452**	**556, 257**	**888,709**

Support costs are allocated across the charitable activities to give the most accurate view using staff time as the basis. Support costs comprises of management administrative and governance costs which is made up of Chief Executive, Communications & Marketing, Finance, Information Technology, Human Resources and office running costs.

Included in Other support cost is the membership fee the Charity pays to be part of the federation and in 2022 the amount came to £200,100 (2021 £253,500). In 2022, membership fees have been apportioned based on the time spent by the International Office on the various activities which is different to the previous year, which was the time spent by SOS Children's Villages UK staff on the various activities.

Note 7 Governance

	Raising funds 2022 £	Charitable activities 2022 £	Total funds 2022 £	*Total funds 2021 £
Staff costs	0	115,874	**115,874**	**136,076**
Chair recruitment	0	0	**0**	**12,000**
Audit fees	0	25,604	**25,604**	**11,970**
Legal fees	0	18,794	**18,794**	**7,307**
Meetings	0	0	**0**	**259**
Other	0	4,527	**4,527**	**444**
Total	**0**	**164,799**	**164,799**	**169,225**

Note 8 Net expenditure / (income)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets owned by the Charity	**4,554**	**4,335**
Loss on the disposal of fixed assets	**0**	**174**
Auditors' remuneration	**16,800**	**13,140**
Operating lease payments	**52,641**	**43,229**
Pension	**43,006**	**40,693**
Foreign exchange loss / (gain)	**68,839**	**(145,747)**

Note 9 Staff costs

	2022 £	2021 £
Wages and salaries	**981,145**	**954,659**
National Insurance costs	**111,994**	**105,006**
Pensions and other costs	**43,006**	**40,693**
Total	**1,136,146**	**1,100,357**

No severance payments were made to any employees in 2022 (2021: £Nil).

Average number of staff employed

The average monthly number of employees during the year was as follows:

	2022	2021
Fundraising	**13.40**	**13.30**
Programme Management	**1.00**	**0.80**
Communications	**2.80**	**4.10**
Finance / IT & Admin	**6.90**	**6.20**
Total	**24.10**	**24.40**

The key management personnel of the charity comprise of the Trustees and 5 others (2021: 5) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising, the Director of Individual Giving and the Director of Communications. No Trustees received any remuneration or benefits in kind from the charity (2021 - none). The total employee benefits of the key management personnel of the charity comprised of their salary, employer national insurance and pension contributions totaling £414,237 (2021 - £421,061).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2022	2021
In the band £60,000 - £70,000	**2**	2
In the band £70,001 - £80,000	**1**	1
In the band £80,001 - £90,000	**0**	0
In the band £90,001 - £100,000	**1**	1

Total employer's pension contributions in relation to the above higher paid employees was £16,213 (2021: £15,938).

Note 10 Tangible & Intangible fixed assets

	Tangible fixed assets			Intangible fixed assets	Total fixed assets	
	Furnitue & fittings £	Compuer Equiment £	Total £	Computer software £	2022 Total £	2021 Total £
COST:						
At 1 January 2022	9,962	49,251	59,213	124,882	**184,096**	**122,381**
Additions	0	3,267	3,267	168,645	**171,912**	**125,914**
Disposals	0	0	0	0	**0**	**(64,200)**
At 31 December 2021	9,962	52,518	62,480	293,527	**356,007**	**122,381**
DEPRECIATION:						
At 1 January 2022	2,459	39,494	41,953	0	**41,953**	**101,644**
Charge for the year	879	3,674	4,553	0	**4,553**	**4,335**
Disposals	0	0	0	0	**0**	**(64,026)**
At 31 December 2022	3,338	43,169	46,507	0	**46,507**	**41,953**
Net book value:						
At 31 December 2022	**6,624**	**9,350**	**15,975**	**293,527**	**309,502**	**142,143**
At 31 December 2021	**7,503**	**9,757**	**17,261**	**124,882**	**142,143**	**20,737**

Note 11 Investments

	Listed investments 2022 £	Listed investments 2021 £
MARKET VALUE:		
At 1 January	**1,253,290**	**1,097,793**
Additions	**0**	**0**
Unrealised gain or (loss) on investments	**(24,937)**	**155,497**
At 31 December	**1,228,353**	**1,253,290**
Comprising of:		
Fixed interest	**255,601**	**255,601**
Equities	**972,753**	**997,689**
Total market value	**1,228,353**	**1,253,290**
Total historical cost of investment	**1,000,000**	**1,000,000**

Note 12 Debtors

	2022 £	2021 £
Other debtors	**81,840**	**211,351**
Prepayments and accrued income	**820,157**	**2,868,487**
Tax recoverable	**73,936**	**36,182**
Total	**975,933**	**3,116,020**

Note 13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	**9,301**	**15,518**
Other taxation and social security	**59,929**	**42,945**
Other creditors	**43,896**	**36,468**
Accruals	**1,137,318**	**1,036,992**
Total	**1,250,443**	**1,131,923**

Note 14 Statement of funds

2022	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,821,981	3,339,741	(2,445,760)	0	(24,937)	2,691,026
Designated funds:						
Fundraising research & investment reserve	0	0	0	0	0	0
Foreign exchange reserve	205,584	0	0	0	0	205,584
India Legacy	312,500	0	312,500	-	0	0
Unrestricted funds subtotal	**2,340,065**	**3,339,741**	**(2,758,260)**	**0**	**(24,937)**	**2,896,610**
RESTRICTED FUNDS						
Zambia	46,854	61,245	(61,245)	0	0	46,854
Gambia - YEP Project, Basse	101,450	124,834	(167,999)	0	0	58,285
Sponsorship fund	3,773	1,838,939	(1,707,248)	0	0	135,465
COVID 19 Appeal	156,891	4	0	156,895	0	0
Standard Chartered Foundation	398,403	1,138,613	(632,291)	0	0	904,726
M&G	(805)	240,002	(239,197)	0	0	0
Other Emergency Responses	772	446,331	(424,000)	0	0	23,103
Other projects <£50k	227,509	225,108	(156,895)	0	0	436,578
HGFD Grant	0	390,780	(390,780)	0	0	0
India Legacy	2,187,500	635,846	(488,768)	0	0	2,334,578
Restricted funds subtotal	**3,122,348**	**5,101,702**	**4,284,724**	**0**	**0**	**3,939, 578**
Total Funds	**5,462,413**	**8,441,443**	**(7,042,983)**	**0**	**24,937**	**6,835,939**

Note 14 Statement of funds (continued)

2021	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,611,150	1,852,678	(1,821,925)	24,580	155,497	1,821,981
Designated funds:						
Fundraising re-search & investment reserve	24,580	0	0	(24,580)	0	0
Foreign exchange reserve	205,584	0	0	0	0	205,584
India Legacy	0	312,500	0	0	0	312,500
Unrestricted funds sub total	**1,841,315**	**2,165,178**	**(1,821,925)**	**0**	**155,497**	**2,340,065**
RESTRICTED FUNDS						
Zambia	39,098	7,756	0	0	0	46,854
Gambia - YEP Pro-ject, Basse	70,041	161,646	(130,238)	0	0	101,450
Sponsorship fund	62,125	1,758,889	(1,817,241)	0	0	3,773
Africa – general	235,576	5,968	(227,519)	(14,025)	0	0
COVID 19 Appeal	264,811	32,968	(149,532)	8,644	0	156,891
Standard Char-tered Foundation	0	459,218	(60,815)	0	0	398,403
M&G	0	240,000	(240,805)	0	0	(805)
Other Emergency Responses	27,629	2,687	(34,925)	5,381	0	772
Other projects <£50k	143,209	307,106	(222,806)	0	0	227,509
HGFD Grant	0	519,869	(519,869)	0	0	0
India Legacy	0	2,187,500	0	0	0	2,187,500
Restricted funds sub total	**842,490**	**5,683,608**	**(3,403,750)**	**0**	**0**	**3,122,348**
Total Funds	**2,683,804**	**7,848,786**	**(5,225,675)**	0	**155,497**	**5,462,415**

Designated funds held for investment in fundraising activities have now been utilised. Each restricted fund has arisen in line with specific restrictions placed by the donor. The majority of restricted funds relate to specific SOS Villages and Projects overseas, such that funds are only used in connection with the donors' specified village and projects. In 2020 the Trustees agreed to reallocate old, restricted fund balances for emergency COVID-19 support. Transferred funds have been utilised within the same countries originally specified by the donors.

Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Intangible fixed assets	0	293,527	**293,527**
Tangible fixed assets	0	15,974	**15,974**
Investments	0	1,228,353	**1,228,353**
Current assets	3,939,326	2,609,200	**6,548,526**
Creditors due within one year	0	(1,250,443)	**(1,250,443)**
Total	**3,939,326**	**2,896,611**	**6,835,937**

Analysis of net assets between funds - Prior Year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	0	124,882	**124,882**
Tangible fixed assets	0	17,261	**17,261**
Investments	0	1,253,290	**1,253,290**
Current assets	3,122,348	2,076,557	**5,198,905**
Creditors due within one year	0	(1,131,923)	**(1,131,923)**
Total	**3,122,348**	**2,340,066**	**5,462,414**

Note 16 Analysis of changes in net debt

	Balance brought forward 01/01/2021 £	Cashflow £	Balance carried forward 31/12/2022 £
Cash in hand	**2,082,885**	**3,489,708**	**5,572,593**

Note 17 Operating lease commitments

At 31 December 2022 the charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2022 £	2021 £	2022 £	2021 £
Expiry Date:				
Within 1 year	**42,000**	**42,000**	**4,200**	**4,218**
Between 2 and 5 years	**63,000**	**105,000**	**5,459**	**9,356**
After more than 5 years	**0**	**0**	**0**	**0**
Total	**105,000**	**147,000**	**9,659**	**13,564**

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

Note 18 Related party transactions

At 31 December 2022 the Charity held all 100 ordinary shares of £1 each in the wholly owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom. Theae shares were written down to nil value in the 2002 accounts and the company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £43,599 (2021 £28,875) was received from the Pakistan Support Group and a further amount was received directly from PSG child and village sponsors £66,418 (2021 £52,170). A Khan, who resigned from her position as a trustee of SOS Children's Villages UK in 2019 is currently a bank signatory of the Pakistan Support Group.

There are no other related party transactions.

Note 19 Trustee expenses

The trustees did not receive any remuneration neither did they make any claim for the reimbusrments of expenses during the year (2021: Nil).

Note 20 Statement of financial activities (including income and expenditure activies from the year ended 31 December 2021

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME				
Donations and legacies	5,683,608	2,114,098	**7,797,706**	**4,242,490**
Other trading activities	0	0	**0**	**0**
Other income	0	50,075	**50,075**	**17,512**
Investments	0	1,005	**1,005**	**5,004**
TOTAL INCOME	**5,683,608**	**2,165,178**	**7,949,786**	4,265,006
EXPENDITURE				
Raising funds	38,025	1,443,592	**1,454,115**	**1,068,287**
Charitable activities	3,435,725	378,333	**3,771,560**	**3,889,656**
TOTAL EXPENDITURE	**3,403,750**	**1,821,925**	**5,225,675**	**4,957,943**
Net gains/(losses) on investments	0	155,497	**155,497**	**(114,770)**
NET MOVEMENT IN FUNDS	**2,279,858**	**498,750**	**2,778,608**	**(807,706)**
Reconciliation of funds: Total funds at 1 January 2021	842,490	1,841,315	**2,683,806**	**3,491,512**
TOTAL FUNDS AT 31 DECEMBER 2021	**3,122,348**	**2,340,065**	**5,462,414**	**2,683,806**

No child should grow up alone

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SOS CHILDREN'S VILLAGES

Charity registered in England and Wales, number: 1069204

SOS CHILDREN'S VILLAGES UK

England & Wales - Charity number 1069204

Accounts

2021 ANNUAL REPORT

SOS CHILDREN'S VILLAGES UK

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2021 was another year where we tried to grapple with the notion of the “new normal” post pandemic, and to take some cautious steps towards rebuilding our ways of living and ways of working to support the implementation of programmes. The children and families we support around the world, as well as the incredible colleagues we work with, were also taking these cautious transitional steps forward too, with lockdowns now more localised though still intermittently enforced in different parts of the globe at different times. It was a time to take stock and assess the damage done by limited physical access to services and functions, with children out of school for prolonged periods and many girls not returning to the classrooms, livelihoods decimated and years of progress in some areas reversed. It became apparent that the impact of the coronavirus would last long after the distribution of vaccines starts to help some countries emerge from the pandemic, while the inequitable access prolongs the pandemic for others. It was in this context that we started to look to ways to mitigate those impacts.

It was a year of movement and transition on our Board too, with us starting the year with Mary Cockroft as Chair, before she retired and Michael Brewer stepped in as interim while we conducted an executive search for our new permanent Chair. Finally, Harpinder Collacott joined us towards the end of the year. We are delighted to have someone with such strong Board experience take on the role, in addition to her wealth of knowledge of and experience in the charity and international development sector.

Unfortunately, in early 2022 we received the incredibly sad news of Michael Brewer’s passing. He was a devoted trustee who supported SOS Children’s Villages for 20 years and was a much loved, admired and immensely supportive Board member. He will be sorely missed and remembered fondly for many years to come

Such change and development on the Board feels very similar to the climate of 2021 in general: one of change, rediscovery, rethinking and looking at things once more with a new lens. Nonetheless, we achieved so many things that are truly incredible with the commitment of our colleagues and devoted supporters. We thank them all for their continued hard work and ongoing support. We finished the year feeling energised for the future due to everyone’s incredible work and the opportunities ahead of us. We hope you will enjoy reading about our achievements in 2021 on the following pages and will be inspired to continue to support SOS Children’s Villages in 2022 and beyond.

Alison Wallace
CEO

Harpinder Collacott
Chair of Trustees

YEAR IN REVIEW 2021

In 2021, money from UK donors was raised through our child and village sponsorship programme, public donations, the fundraising efforts of community groups, charitable trusts and foundations, and voluntary income from corporate partnerships. We continued to receive sizeable funding from M&G plc, PDFoundation, FactSet, Lines & Current, From Babies with Love and DeMellier as well as individual sponsors and donors. In addition, we secured new funding from the Standard Chartered Foundation, tcc Foundation and Pinsent Masons. We are extremely grateful for this generous support. Read more about the financial breakdown on pages 48 - 89.

Over the year, funding went towards maintaining and supporting SOS Children's Villages in Zambia and The Gambia; continued work worldwide on preventing the spread of coronavirus and adapting our projects and programmes to respond to lockdowns; the Youth Training and Employability Programme in The Gambia; and a new Village in a remote region of Pakistan, in partnership with SOS Children's Villages Pakistan.

THE IMPACT OF COVID-19 ON OUR WORK IN 2021

With schools and education centres continuing to be affected by different levels of closure at different times across the world, SOS Children's Villages consolidated the work started in 2020 to ensure there was continued availability of services online or with COVID-secure measures.

In 2021, COVID-19 continued to have an impact on our work. Staff around the world had to dig deep to find the strength and resilience to weather the continued storm.

For many, the vaccine seemed to herald an end to the pandemic, but for others, it was just the beginning of a journey to rebuild their lives. Coronavirus undoubtedly reversed decades of progress on poverty, healthcare and education in many of the poorest communities around the world, further widening the gap between the richest and poorest countries. We know now that it has been the worst human and economic crisis of our lifetime impacting children and families.

SOS Children's Villages was able to continue to help families in need of urgent food supplies, personal protection equipment and antibacterial kits, and extended our long-term programmes to even more people affected by the crisis. As with all of our work, there were no short-term fixes. Over the coming years, we plan to double our efforts going forward to deal with the real socio-economic fall-out from coronavirus, helping families who were already struggling before the pandemic, to rebuild their lives.

In the UK, staff were able to return to the office as lockdown restrictions were relaxed, subject to a full risk assessment and the implementation of COVID-19 safe workplace requirements, principally mask-wearing and social distancing. However, many staff have opted to take up flexible working opportunities, mixing working from home with office based working as appropriate to the needs of the organisation.

OUR WORK

In 2021 SOS Children's Villages UK raised funds that supported vital work carried out by our colleagues from the SOS Children's Villages federation around the world.

Americas
124
Villages

Europe
111
Villages

Asia
167
Villages

Africa
150
Villages

Oceania
1
Village

Global-Youth training and employability

In 2021, we launched a two-year partnership with the Standard Chartered Foundation to support their Futuremakers initiative, helping young people including those leaving care to get the skills and training they need to work their way out of poverty, and the resilience and confidence to become independent.

An estimated 267 million young people worldwide are not in employment, education or training according to the International Labour Organisation (ILO). Those leaving alternative care are disproportionately affected because they have fewer opportunities to access training and are required to be financially independent at a much earlier age than those living with their families. The pandemic made the situation worse for care leavers as they experienced job losses, wage cuts and a lack of skills.

Together we aim to support more than 4,000 young people, particularly women and people with disabilities, in Botswana, Côte d'Ivoire, Jordan, Mauritius, Philippines, South Africa and Sri Lanka to receive crucial support and training to find long-term work and be competitive in today's employment market.

Through SOS Children's Villages' global digital platform, YouthLinks, Standard Chartered employees are offering young people in the seven countries online sessions in careers, CV writing, interview preparation, financial management and ICT training through one-to-one and group mentoring.

By supporting young people in their transition from childhood to independence, and providing them with the tools to improve themselves, we are finding solutions for sustainable livelihoods and opening up a new world of opportunity for them.

CONTENTS

Global – 7 women, 7 causes

In March 2021, luxury handbag brand and SOS Children's Villages' long-term partner DeMellier, launched the '7 women, 7 causes' capsule collection, named after the seven talented women who designed bags for causes close to their hearts. DeMellier's founder, Mireia Llusia-Lindh, designed the LIFE tote bag in support of SOS Children's Villages. Thanks to DeMellier, 100% of the profits from the sale of the LIFE tote were donated to fund lifesaving medical treatments for children in our programme in Liberia.

"Our aim through 'A Bag, A Life' is to work with SOS Children's Villages to provide vaccines and medical treatments to save the lives of the most vulnerable children"

- Mireia Llusia-Lindh, Founder of DeMellier

The Gambia - Youth Training and Employability Programme

The Youth Training and Employability Programme in The Gambia continued to support vulnerable young people to access vital training and employability skills. The programme is generously funded by PDFoundation and co-funded by corporate partners Lines & Current, Awards International and Cambridge Assessment.

Situated in Basse in the Upper River Region, the poorest part of The Gambia, the five-year project aims to empower 1,000 young people with training and employability skills to help them build sustainable livelihoods.

Despite the challenges of national lockdowns, which included the closure of training centres for much of 2020, the first cohort of students who had enrolled on training programmes in February 2020 have completed their training, with 132 young people, 70% young women undertaking work placements to further develop their market relevant skills.

The project staff actively engaged with a wide range of stakeholders, securing placements at reputable organisations such as the National Telecommunication Company, Migrant Information Centre of the National Youth Council, International Office of Migration and Fandema (local NGO). Many of the placements have been extended and the trainees are being paid for their work.

All of the Social Work students have had their placements extended with two young people offered formal employment contracts.

Six students from the Sewing and Design course and one from the Literacy and Craftwork course have been contracted by the placements at a well reputed locally driven social enterprise. Seven students from the Catering and Hotel Management course are currently employed in the food industry. Five students from the PC and Mobile Repairs class have been formally appointed, three of which are working at a local school.

The centre has now taken on its second cohort of 201 young people. 52 young people have enrolled on the Sewing and Design course, 30 on the Social Work course, 44 on the Catering and Hotel Management course, 48 on the Literacy and Craftwork course, and 27 on the PC and Mobile Repairs course.

In line with our commitment to support women and people living with disabilities, 77% of the second cohort are women, and 2% are living with disabilities.

*Names have been changed to protect the privacy of those involved.

Mariam*, a student with disabilities on the sewing and design course from the first cohort is now the President of the Rural Support Organisation for the Disabled Centre.

"I am the president of this organisation and this has exposed me to a lot of opportunities and also has influenced my dealings with people. It also sharpened my perception and broadened my horizon of life in particular."

In addition, our outreach work has resulted in students from communities outside of Basse attending, including from villages close to the Senegalese border around 50km from the training centre.

Whilst all photographs are authentic SOS Children's Villages images, some are illustrative and may not be of any named individuals.

Philippines – Elevate to Educate

In May 2021, SOS Children's Villages UK partnered with financial data and software company, FactSet, on work readiness and education support for 400 young people in Bataan, The Philippines, to have the best chance to thrive.

FactSet are supporting young people's education opportunities providing support for web-based learning and education, healthy and nutritious meals, and access to technology through providing reliable internet connections.

As a result of this partnership, 322 young people from underprivileged backgrounds are going into further education and work.

FactSet also became the first YouthCan! partner in the Philippines. YouthCan! is SOS Children's Villages global partnership for youth employability, through which employees share their time, skills, and expertise with young people to support them and provide them with the crucial skills needed for work readiness. Six virtual events have been held so far, including the first skills-based volunteering session which was on personal maturity.

Brazil - Childhood Nutrition Project

The Lis Mosekilde Health and Family Support Centre, affectionately known as the 'Lis Centre' provides vaccinations, community outreach, and education in Araçoiaba, a remote part of Brazil. In 2021, thanks to a generous donation, a new childhood nutrition programme was launched at a critical time when many families were facing food insecurity and poor health due to unemployment and isolation as a result of the coronavirus pandemic. The donor in question, Mr Hewitt, originally funded the construction of the 'Lis Centre' in memory of his late wife, Professor Lis Mosekilde, a doctor, scientist and academic. Funding the childhood nutrition programme enabled him to continue his wife's legacy and keep supporting the community in Araçoiaba.

The aim of this project is to improve the nutrition of 250 children, young people and their families from July 2021 to April 2022. Brazil has seen a marked deterioration in its food security indicators as the economic fallout of coronavirus deepened and a growing number of people struggled to afford a nutritional diet amid government aid cuts.

Since the onset of the pandemic, the SOS Children's Villages Brazil team has been providing basic food items and monitoring the living situation of families building on the relationships created within the community as part of the ongoing work at the Lis Centre.

So far, SOS Children's Villages, Brazil has implemented individual development plans for sixty of the most vulnerable families in Araçoiaba; held meetings to educate participants on the health implications of food; worked with a local nutritionist to create food baskets containing locally available nutritious foods; created and distributed 540 food baskets (60 baskets each month); undertaken regular family health monitoring, including weight and height measurements, physical condition and Body Mass Index; continued to inform the community about coronavirus; and equipped families with cleaning and hygiene supplies.

Evaluating the health of families was an essential part of this project, to ensure a long-lasting impact. Due to the poverty suffered in the area, most families could only afford to eat once a day. Their food choices were based on price and presented low nutritional value. In the first evaluation, 42% of all children and adults were overweight. Most adults presented with obesity, high blood pressure and high levels of sugar (pre-diabetic). The final health evaluation showed an improvement, with 10% of all participants no longer being overweight, demonstrating a significant impact on the overall health of the group.

"Some of the items in the food baskets my children had never eaten before. The project gave us the opportunity to eat better quality food, more frequently than before."

Joanna, 32 years-old

Rosineide's story*

Rosineide* is a single parent, living with her two daughters in two rooms adjoining onto her elderly mother's shack. Her home was made of mud and had no running water, electricity or toilet. It was also very close to an open sewer channel, presenting very clear health risks. Rosineide* lost her job early on in the pandemic and so was dependent on social welfare payments equivalent to less than £50 each month. Given these challenging living conditions and limited income, Rosineide* was close to losing parental care of her children.

By visiting the Lis Centre to take part in the Nutritional Development Project, Rosineide* was able to use the welfare money to find a better home for her family, rather than spending it on essential food. The food baskets supplied through this project enabled her whole family to eat three healthy meals each day. After nine months and with the support of the SOS team, Rosineide*, her mother and two girls are now living in a brick house with sanitary flooring and a proper bathroom, subsided by the local government.

*Names have been changed to protect the privacy of those involved.

Liberia – malaria vaccinations, DeMellier

Part of the DeMellier funds have gone to help 5,000 children in Liberia get vaccinated against preventable diseases and provide life-saving malaria treatments to 535 children who have lost parental care or are at risk of losing it.

In Liberia alone over 11,000 children under the age of five die every year from preventable diseases such as malaria (the leading cause of death), pneumonia, diarrhoea, and measles. The most vulnerable are newborn babies, as at least a third of all under-five mortality occurs in the first month of life.

Our work in Liberia has meant that 31,957 children have been immunised over the last three years. However, with over two million children under the age of five, demand for quality vaccination and medical services is increasing. With DeMellier's support, we can change lives.

While vaccines are provided free of charge by the Ministry of Health, the SOS Medical Centre provides the infrastructure, materials and equipment including the health personnel to deliver vaccines to children.

Mary's* story

In July 2021, Mary and her mother were sick. Mary's mother tested positive for malaria and was able to be treated at a community health centre, helped by SOS social workers. Although Mary initially tested negative for malaria, she retreated to her bed, sweating profusely and suffering severe pain. SOS social workers went to her home to monitor her situation, but she was getting sicker. Her family couldn't afford the treatments, which would have included transportation to the clinic, hospital registration and consultation fees, and antimalarial drugs. The SOS team were quick to take Mary to the SOS Medical Centre. They were able to fast-track the admissions process, making sure that Mary got access to the medical treatments she needed right away and covered all the associated costs. Thanks to them, Mary was able to make a full recovery.

*Names have been changed to protect the privacy of those involved.

India, The Gambia, Zambia
Support through sponsorship

In 2021, our UK donors continued to support SOS Children's Villages around the world, providing sponsorship or other financial support to SOS's work in 115 countries in total.

To give an overview of the impact of this, we are showcasing projects in India, The Gambia and Zambia below, as these are the countries that received the largest share of support in 2021. Here is just some of the amazing work we have done, thanks to them.

National coronavirus restrictions still applied for part of 2021 and as such SOS Children's Villages continued to support children's and young people's education and wellbeing by providing access to online schooling as well as wider activities such as art, crafts, yoga, cooking and gardening and therapy. As national restrictions lifted, many of the young people in the villages have been able to continue their studies and training. Many have successfully enrolled into universities, further education and employment, something that would not have been possible without the love and support of their SOS families.

The villages continued their family strengthening outreach programmes to help caregivers meet the needs of their children. A priority has been supporting those who had lost their livelihoods due to the pandemic. Caregivers were offered financial support as well as skills and financial training so they could begin their recovery and secure their futures and those of their children.

In Bakoteh, The Gambia, twins, Sango* and Biso*, who grew up in the SOS Children's Village, made it into The Gambia Under 17 football team in the FIFA Women's Under 17 World Cup. Sango* has now signed a one-year contract to train in Grenoble, France. Sango dedicates her success to her SOS mother and siblings who encouraged her to play.

In Basse, The Gambia, SOS continued to support its young people in their respective passions. During the rainy season, Jaambar* helped in the cultivation of okra and sorrel in the village. He took part in the farming process from land preparation to harvest and then distributed the produce to the local community. Congratulations to Bolongba* too who completed his one-year university access programme and has secured a place at the University of The Gambia.

In Bhopal, India, Mary* lost her job as a house cleaner due to the pandemic. The Family Strengthening Programme and the SOS Self Help Group helped her to start a livestock business and now she can feed her family and send her children to school.

In Varanasi, India, Kajal* and her family were struggling to eat. The Family Strengthening Programme helped her to access a government scheme to gain employment. Now, Kajal and her family is doing well. Her child -Krishna attends regular classes and is studying hard to achieve good marks in his class.

*Names have been changed to protect the privacy of those involved.

In Alwaye-Cochin, India, Sudha*, a single mother and her daughter, Nandini* were struggling financially. The Family Strengthening Programme bought her a cage for hen rearing which yielded many eggs and provided them with an income. Sudha also got a part time job in catering and Nandini is doing well at school.

In Bangalore, India, Pallavi* and her husband, a rickshaw driver, were unable to feed their child. The Family Strengthening Programme provided financial support and encouraged Pallavi's sewing skills. She began tailoring at home and made a good income from it. She was even able to put a down payment on a rickshaw for her husband, as he had previously been renting one.

In Faridabad slum, India, Rekha,* a housemaid, and her husband, a daily wager, lost their jobs in the pandemic and were struggling to support their three children. The Family Strengthening Programme provided them with a monthly food supply and the children were given reading books. Rekha* took a loan from the SOS Self Help Group and opened a small shop. She and her husband took a small loan and have made a down payment for an e-rickshaw for him. The family are now happy and stable.

In Faridabad slum, India, Ruchi* lives with her alcoholic husband and four children and was unable to sustain her family. She joined the Family Strengthening Programme which provided counselling to her husband and helped her to open a small shop selling clothes. The family can now eat together and the children are attending school.

In West Bengal, India, Nisha* sews for a living and her husband is a mason, but they were not earning enough between them to support their two sons. She joined the Family Strengthening Programme, which provided her sons with school bags and supplies, and helped her to become financially independent. Nisha and her family are now settled and living well.

In Rourkela, India, Rupali's* husband died, and she was struggling to support her two sons. The Family Strengthening Programme helped her children with their studies and provided them with extra tuition and study materials. The programme also provided food packets and financial support to open a small shop so that Rupali could get a new start in life.

In Livingstone, Zambia, Emily* is raising her three grandchildren. She could not afford to feed them three meals a day or send them to school. With the assistance of SOS Children's Villages, she received school books, bags, shoes and uniforms for the children so they could attend school. She was also advised on how to improve her roadside stall so she could support her family and now the children are getting an education and eating three meals a day.

In Chipata, Zambia, Patrick* who lost both of his parents at a young age and was supported into school by SOS Children's Villages, has now completed college and is volunteering as a teacher at a local community school.

In Kitwe, Zambia, Clement* and Richard* from SOS have been accepted into university to study medicinWith access to education and the loving support of their SOS families, the young men plan to be doctors when they graduate.

In Lusaka, Zimbabwe, Ida* who has been living with her SOS family since she was nine years old, often had to drop out of school because her grandmother could not afford to send her. Now she is going to college to study clinical medicine and hopes to work in the medical field and save lives when she graduates.

*Names have been changed to protect the privacy of those involved.

Pakistan – New SOS Children's Village at Rawalakot

Construction of the new SOS Children's Village in Rawalakot is ongoing, despite the challenges of the necessary coronavirus restrictions and inclement weather in the region. The project completion date is scheduled for June 2022.

During the construction of the Children's Village, SOS Children's Villages Pakistan has continued to support children in need of a safe and loving home. The temporary village is home to 36 children who are being looked after by SOS mothers and a team of supporting staff.

A clinical psychologist is appointed in every SOS facility in Pakistan to support the emotional development of every child. Some children experienced increased anxiety due to the pandemic and associated social distancing, a problem which has been greatly improved by the psychologists introducing relaxing techniques, art therapy, catharsis therapy and other coping techniques.

"I like this school because of the peaceful environment here, and we are very welcome here. The teachers are very well qualified and are hardworking on our studies. So, I like this school."

– a young boy from Year 9

The Rawalakot Community School remains a vital local resource, reaching 220 children and young people and ensuring children from alternative care and those from financially disadvantaged backgrounds in the surrounding communities have access to quality education.

During the height of the coronavirus pandemic, strict standard operating procedures were put in place to ensure everyone could attend school safely, and during the lockdown, online lessons were delivered by students' usual teachers to ensure continuity where possible. The school provides education up to the 10th grade, enabling students to achieve their Secondary School Certificate.

India and South Africa YouthLinks – Virtual Mentoring with M&G

In 2021, M&G plc employees joined YouthLinks, SOS Children's Villages' virtual mentoring programme. YouthLinks digitally connects young people aged 16-25 in SOS Children's Villages programmes with mentors from the corporate world. Over eight weeks, mentors work with young people covering a range of employability topics including CV writing, job interviewing, resilience, and confidence-building.

Over the course of the year, 28 M&G plc mentors from India and the UK were partnered with 56 young people in India and South Africa between February - April and June - August, sharing their experience and their expertise.

M&G plc mentors gave over 300 hours of support to young people through YouthLinks, making an immense impact on the lives of all the participants.

"My mentor inspired me to work hard, fuelled by passion and to dream big."

-Young person from India

"I want to thank you for my sessions, I even managed to open my own company."

-Young person South Africa

Tanzania - Peer-to-peer education project, Mercury Phoenix Trust

Thanks to the Mercury Phoenix Trust for their grant of £11,918, received in March 2021 for the Adolescent Sexual Reproductive Health and HIV/AIDS Project in Iringa, Tanzania. The project, designed by SOS Tanzania to respond to the challenges surrounding Sexual and Reproductive Health in the country, involves increasing knowledge and open discussion about HIV and AIDS amongst adolescent girls and boys through peer to peer educators.

Tanzania has one of the top ten highest rates of adolescent pregnancies in the world. Approximately 5% of people aged 15 years and above are living with HIV, with the rate in Iringa at 11.3%. There is inadequate access to information about Sexual Reproductive Health services and only about one third of health facilities offer youth-friendly services.

The project is based on the successful methodology used in a previous project where SOS Children's Villages Tanzania trained peer educators to raise awareness of HIV and AIDS. Peer educators were able to break down barriers to discussing Sexual Reproductive Health. Young people felt able to have open and honest conversations with trained peers without fearing judgement and repercussions from adults.

The project also complements SOS Children's Villages Tanzania's "Children with Children – Initiatives for Teenage Girls in Tanzania," a programme that is reducing gender-based violence, sexual abuse and child and adolescent pregnancies.

The project was launched in May 2021 with the aim of reaching 1,000 young people. It has been well received by the target group and stakeholders and reached over 2,000 adolescents who are in and out of formal education. The programme was also delivered in 12 schools and four communities.

Vietnam - Young Leaders project, City Football Group

City Football Group generously sponsored Young Leadership Training in Vietnam. Thanks to a five-year partnership with the Group's Cityzens Giving programme and Manchester City, supported by SHB Bank in Vietnam, young people have gained new skills and confidence and have been able to use football and other sports to encourage physical activity, develop transferrable life skills, and improve mental wellbeing in their communities.

From January to December 2021, 566 Young Leaders - 235 girls and 331 boys - participated in online training sessions organised by City Football Group Coaches. The sessions focused on football and life skills, including English language, finance, planning, leadership, community coaching, social impact, and project management. Equipped with these new skills, the Young Leaders are encouraging physical activities in their households and villages, and have themselves improved their mental wellbeing.

During the pandemic, SOS Children's Villages Vietnam purchased sports equipment for the 17 Villages with a donation from City Football Group to mitigate the negative impacts of the pandemic on children's and young people's mental and physical health.

The skills and knowledge that the Young Leaders have gained throughout the project will also support them in starting an independent life.

Do Phuong Anh's story

Do Phuong Anh has lived in SOS Children's Village Hai Phong since early childhood. Her SOS mother, Thang, and SOS siblings are the only family she knows. She is one of the many young people who have participated in the Young Leadership Training, an opportunity that enabled her to practise her English language skills.

Thanks to the touching essay she wrote in English, her perseverance and the support of her family and the Village, Do Phuong Ahn was awarded the Lion's Heart Scholarship to study Marketing at the British University of Vietnam, the only university in Vietnam to award direct degrees from the University of London. She aims to get a good job when she graduates so that she can give back to the SOS village community where she grew up.

CHILD SAFEGUARDING

High standards of safeguarding are fundamental to our ability to support children to grow up feeling safe, loved and supported.

In 2021, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. We continue to promote our requirement that programme visitors, such as child sponsors, undertake a suitable background check and briefing prior to visiting a programme location.

In addition to the Safeguarding Committee of the Board of Trustees which reviews programme oversight responsibilities and donor and Charity Commission reporting,

SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America child safeguarding network to share learnings and best practice.

During the year, two safeguarding incidents were reported to us by SOS Children's Villages International relating to programmes funded by SOS Children's Villages UK in The Gambia and Sri Lanka. The Trustees reported these incidents to the Charity Commission under the Commission's serious incident reporting process. The Commission was satisfied that the Trustees were managing the incidents appropriately and responsibly for SOS Children's Villages UK.

The International Senate of SOS Children's Villages – the federation's highest supervisory body – published an Independent Child Safeguarding Review which it commissioned from Keeping Children Safe, an internationally recognised child safeguarding standard setter. The purpose of the Review was to address the topic of historical safeguarding abuses and make findings and recommendations to improve safeguarding practice. In response to the findings, the Senate published its Safeguarding Action Plan to implement the Review's recommendations which includes establishing an Independent Special Commission to examine evidence of wrongdoing that arose in the course of the Review.

SOS Children's Villages UK reported the publication of the Independent Child Safeguarding Review to the Charity Commission under the serious incident reporting process, due to the potential of the Review to impact the reputation of the Charity in the UK. A risk of negative impact to reputation or the charity's assets (funding) is a criterion for making a report to the Commission.

In 2021, 68,000 children were in the direct care of one of our sister SOS organisations, compared with 65,600 in 2020, and more than a million were taking part in programmes delivered as part of our community-based activities, including projects supporting children and families in emergency situations, outside our village communities.

Many of the children and young people in these programmes have faced traumatic family environments and are therefore particularly vulnerable. The latest SOS Children's Villages International annual report on safeguarding can be found here:

https://www.sos-childrensvillages.org/getmedia/5e848b4e-6f2f-4e7f-977e-a9bdba650b33/Child-Safeguarding-Annual-Report-2020-21.pdf

SERIOUS INCIDENT REPORTS TO THE CHARITY COMMISSION

In addition to the safeguarding incident reports referred to above, SOS Children's Villages UK reported to the Charity Commission an allegation of serious fraud involving at least one employee of SOS Children's Villages Zambia. No employees of or volunteers for SOS Children's Villages UK are involved and there is no loss to the Charity's funding or impact on the Charity's beneficiaries.

ACHIEVEMENT OF OBJECTIVES IN 2021

We set ourselves the objectives for 2021 to:

- continue to support the post pandemic recovery and resilience of children and their families with a focus on education and employability programmes, by supporting families and benefiting parents and their children, and livelihoods related activities, and amplifying our impact by increasing the number of children, families and communities we support.
- continue to support children and young people in the village communities of Basse, The Gambia and Chipata, Zambia
- continue to support youth employability programmes, including a five-year youth training centre in Basse, The Gambia
- work with our partners at SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to safeguarding of children, young people and staff
- continue investment in our fundraising operation, including improving our systems, thereby increasing the support we can provide to SOS programmes and ensuring we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.

In 2021 we raised a total of £7.8m from our generous supporters for 115 countries around the world, including £150k to support programmes for COVID-19 resilience and recovery in India, Philippines and South Africa. (In 2020, this was £4.3m and over 100 countries also £15k was donated to Haiti's COVID-19 programme.) We were able to help provide PPE equipment, hand sanitiser, food, safe water and other forms of direct support to vulnerable families and ensure children could access remote learning opportunities and programme staff were safe.

A total of 7,202 donors supported 4,774 children and 287 Children's Villages in which children without parental care live, through our sponsorship programme. In 2020, the figures were 5,229 children and 301 Villages funded by 7,805 supporters. In line with our fundraising strategy, we did not actively promote sponsorship in 2021, and therefore had fewer supporters sponsoring than in previous years.

We contributed a total of £278k to village communities in Basse, The Gambia and Chipata, Zambia, supporting 233 children (in 2020, 215 children) in family like care with SOS carers and 717 families in family strengthening programmes (in 2020, 1,898 children and families). These programmes cover a wide range of community and individual empowerment programmes such as empowering vulnerable families to become self-reliant, helping young people with vocational skills training so they can

access employment or set up their own local businesses, working closely with local partners to ensure a sustainable approach.

One example is the Youth Training and Employability Programme ('YTEP') in Basse, The Gambia, where, with the help of UK donors, over five years, 1,000 young people will be able to access vocational skills training, mentoring and support in transitioning into employment or setting up their own local businesses. In 2021 140 young people completed their training; in addition the programme delivered outreach awareness sessions on employment opportunities and sexual and reproductive health and rights in six schools. A further 30 young people outside of the YTEP course accessed career counselling, also as a result of the centre's community outreach work. See page 25 for further details.

On the theme of youth empowerment, in 2021, we secured a new partnership with the Standard Chartered Foundation as one of their new strategic NGOs for their Futuremakers initiative to promote the economic inclusion of young people – particularly young women, girls and people with visual impairments. Futuremakers is delivered through programmes focused on education, employability and entrepreneurship.

As part of this, SOS Children's Villages was selected to run the programme in seven countries: Botswana, Côte d'Ivoire, Jordan, Mauritius, Philippines, South Africa and Sri Lanka. More than 4,000 young people will be supported through the programme over two years.

Further, our three year 'Empowering Families' partnership with M&G plc continued to support 121,000 families and young people per year in five European countries and India through education, vocational skills, mentoring and other forms of support.

We continue to support the management teams of SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to child safeguarding in the programmes we fund, working with SOS Children's Villages International to encourage incident reporting, investigation and sanctions where appropriate. This has included identifying the need for care-worker training and improvements in gate-keeping

With the support of grant funding from another member of the SOS Children's Villages Federation, Hermann Gmeiner Fonds Deutschland, we launched a new public fundraising campaign which despite delays due to COVID-19 restrictions, secured 3,302 new regular supporters for our work (in 2020, this was 290 new regular supporters, before the new campaign was launched). In addition 15 new funding partners (2020: 18 new funding partners) gave us their support during the year and we secured further support from 34 existing funding partners (2020: 54 existing funders). We were also able to ensure that 7,847 (2020: 7,805) Child and Village sponsors were kept up to date with the children and communities they were supporting. At the end of 2021, unrestricted income was 24% of our total income which is important for our ability to respond flexibly to opportunities as well as urgent programme needs (2020: 39%).

FUTURE PLANS AND OBJECTIVES FOR 2022

The Board of Trustees approved a new three year strategic framework for the period 2022 – 2024 in December 2021. Within that strategic framework we have set the following objectives for 2022:

- continue to support children who have lost parental care and families at risk of breakdown, with a focus on education and employability programmes for young people, supporting families with livelihoods and resilience related programmes, and amplifying our impact by increasing the number of children, families and communities we support.

- continue to support children and young people in the village communities of Basse, The Gambia and Chipata, Zambia, together with vulnerable families in the region, working with our partners to identify changing community requirements, adapt services and programmes accordingly and identify and strive to close gaps with respect to the UN Guidelines on Alternative Care

- in line with renewed emphasis within the SOS Children's Villages Federation, work with our partners at SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to safeguarding of children, young people and staff

- sustain further investment in our fundraising operation, in order to sustainably increase the support we can provide to SOS programmes in the future and to ensure we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.

THANK YOU ALL

Angela Chadwyck-Healey
Cambridge Assessment
City Football Group
DeMellier
FactSet Europe
From Babies with Love
Ian & Wendy Hutton
Esther Baroudy
Nagel-Group
Lines & Current
M&G plc
Mercury Phoenix Trust
Michael Hewitt
Pinsent Masons
Shaherazad Umbreen
S Azhar
Standard Chartered Foundation
Dilys and Stephen Parkinson
Subsea 7
tcc Foundation
PDFoundation
SOS Pakistan Supporters' Group UK
Westwood Charitable Trust

A big Thank You to all of our supporters and partners, including those who wish to remain anonymous, for their generosity and commitment to our programmes. The kindness and support shown by supporters in what was another difficult year for everyone was truly inspiring and we are immensely grateful for it.

All donations help us make a difference and ensure that children everywhere can grow up feeling safe, loved and supported.

We also wish to extend a warm Thank You to those who have raised awareness of our work and who have fundraised by taking part in challenges, quizzes – many of which continued to take place online – and other activities.

We further want to remember and acknowledge all those far-sighted supporters who kindly gave and fundraised In Memoriam of a loved one and who left a gift to the work of SOS in their Will. Their legacy continues to make a lasting impact to the lives of children, their families and communities.

Thank you, all, for your kind support.

HOW WE RAISE MONEY

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this we work in close partnership to build close relationships with donors, supporters, grant making organisations and corporate partners, and with the SOS programme teams, aiming for accountability and transparency in all that we do. Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018 and the Code of Fundraising Practice.

In 2021, we have continued to ensure open dialogue and clear lines of communication with our donors. This has included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators. The work of SOS Children's Villages is complex and challenging and our reporting reflects this.

When supporting individual fundraisers, we provide them with an agreement making clear how they should promote their activity, how to fundraise effectively and without undue pressure, how the funds raised will be spent, and ensuring they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. They are given a named contact at SOS Children's Villages UK to support them and answer any questions. We regularly monitor and review activities undertaken in support of SOS Children's Villages UK, through supporter feedback, tracking online activity, prompt follow-up after fundraising activities have taken place and ongoing dialogue.

All fundraising staff receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate sponsors who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person's privacy or is unreasonably persistent in their actions so as to protect vulnerable people, as reflected in our written agreements with our partners.

Corporate sponsors include:

Lines & Current donate 10% of profits to SOS Children's Villages UK every year, donated quarterly.

DeMellier donate £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually.

Humble Warrior donate 2% of its revenues annually. Donations are paid annually.

All partnerships are formalised through a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children's Villages UK is not aware of any complaints raised regarding any of these activities undertaken by our corporate partners.

All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice. SOS Children's Villages UK is not aware of any complaints raised regarding any employee fundraising activities.

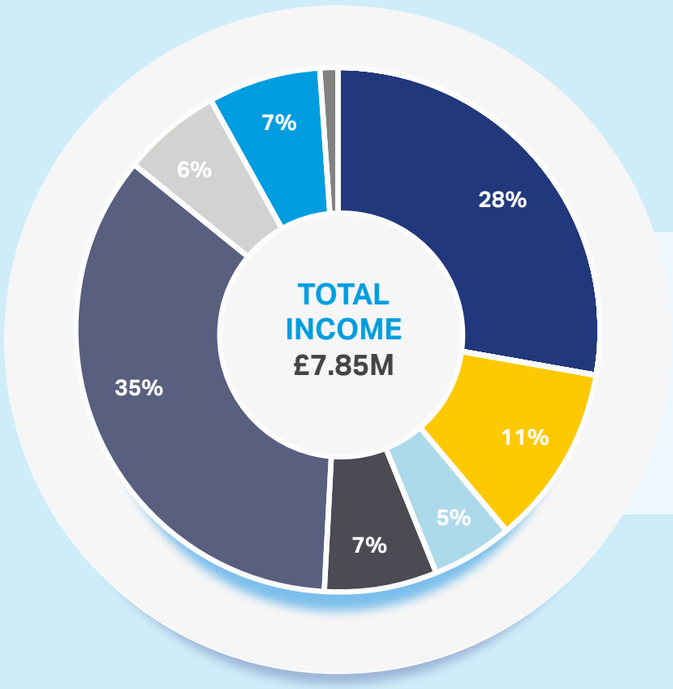
Our Board of Trustees approved a new Ethical Partnership Policy in 2019, which sets out the criteria determining whether we can accept donations. This is reviewed on an annual basis to ensure it is kept up to date. Further information can be found on our website: https://www.soschildrensvillages.org.uk/how-you-can-help/partner-with-us/. We received 126 complaints about our fundraising activities in 2021, showing an increase of 26 compared to 2021. The great majority of these related to the quality of the content child sponsors received directly from our sister organisations in relation to individual sponsored children. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

In 2021 we began to engage in public facing fundraising activities again, such as Face-to-Face, Door-to-Door, and private site fundraising. These activities helped us increase our supporter numbers significantly.

As part of our three year strategy, we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of the evolving Covid-19 situation and unpredictable fundraising environment. We were overwhelmed by the understanding and reassuring messages received from our supporters, many of whom renewed their commitment to our work during the crisis, as a result of which we were able to allocate £150k to support activities in 3 countries as part of SOS Children's Villages global Covid-19 response.

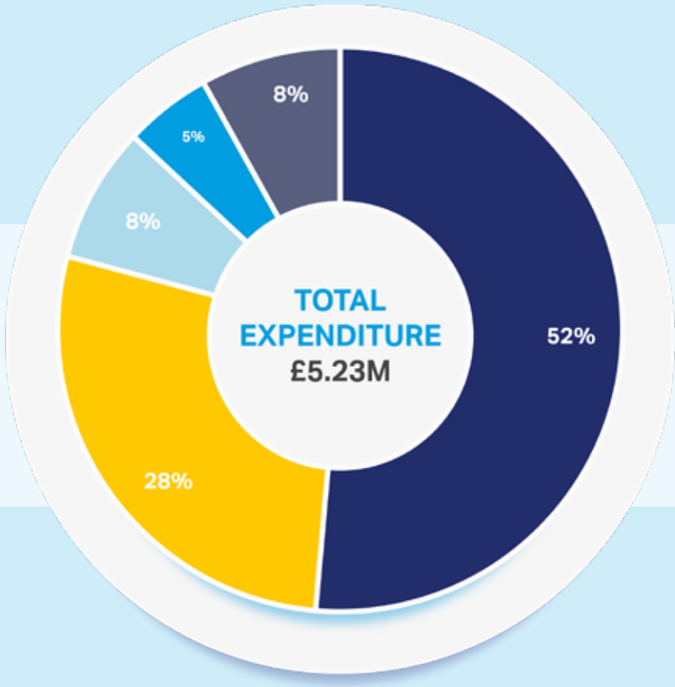
If you have any questions about any aspect of our fundraising, please don't hesitate to get in touch with Susanne Owers, Director of Fundraising, at susanne.owers@sosuk.

SUMMARY OF INCOME AND EXPENDITURE



FINANCIAL PERFORMANCE

	2021	2020
CHILD AND VILLAGE SPONSORSHIPS	28%	53%
CORPORATE PARTNERSHIPS	11%	12%
TRUSTS AND FOUNDATIONS	5%	5%
INDIVIDUALS AND COMMUNITY GROUPS	7%	11%
LEGACIES	35%	8%
GIFT AID	6%	11%
INSTITUTIONAL DONORS	7%	0%
OTHER INCOME	1%	<1%



TOTAL EXPENDITURE

	2021	2020
SUPPORTING CHILD AND VILLAGE COMMUNITIES	52%	38%
FUNDRAISING AND SUPPORT COSTS	28%	17%
FAMILY STRENGTHENING	8%	35%
YOUTH EMPLOYABILITY	8%	7%
RAISING AWARENESS WITH POLICY MAKERS	0%	2%
RESPONDING TO EMERGENCIES	5%	1%

(Support and governance costs of £888,709 which have been offset by an exchange gain £145,747 have been apportioned across charitable activities and raising funds based on staff time)

We raised £7.85 million, spent £5.23 million supporting children, young people and families and out of every £1 spent, 72p was on our programmes around the world and 28p on raising these funds.

The growth trajectory of SOS Children's Villages continues to be robust as the Charity continued to show great resilience and adaptability dealing with the impact of the global pandemic.

INCOME

Total income in 2021 came to £7.85m and was £3.58m/84% higher than the 2020 outturn of £4.26m due to the consistent generosity and loyalty of our existing supporters and donors, as well as our ability to secure new partnerships with corporates, trusts and foundations and attract more supporters through our investment in fundraising. All income streams have outperformed against the prior year. As of 31 December 2021 the legacy pipeline held an estimated value of £1.4m (£72k in 2020). These are legacy gifts we have been notified of but which do not meet our recognition criteria for income in 2021.

The COVID 19 Emergency Appeal raised a further £33k in 2021 (£47k in 2020).

Additionally, the Charity has been successful in securing a three year grant from another member of the SOS Children's Villages Federation, Hermann Gmeiner Fonds Deutschland. The grant is to support a new public fundraising campaign and the amount for the first year came to £520k.

EXPENDITURE

Expenditure in 2021 at £5.23m was higher than 2020 spend of £4.96m, representing an increase of £268k/5%.

Fundraising Activities - Investment in fundraising activities of £512k has increased compared to last year. In 2021 we scaled up our fundraising investment programme to increase the Charity's unrestricted income, as well as raising our UK brand profile.

In 2019 SOS Children's Villages UK recognised the need to expand its offer beyond child sponsorship to appeal to new audiences with differentiated propositions, with a focus on finding a source of unrestricted regular giving. By the end of 2021, the new donor acquisition campaign returned an increase to our unrestricted income of £149k instead of the anticipated £170k due the to the longer than expected Covid-19 lockdown and the resulting delay to the launch of the campaign.

Administration expenditure increased by 55% compared to the previous year as the easing of the lockdown rules allowed the cautious resumption of normal activities as well as the recruitment of staff.

Charitable Activities – As a result of raising higher than expected sponsorship income we have been able to support children in the village communities in over 100 countries including Gambia and Zambia. Equally we continue to increase our focus on the prevention of situations in which children are at risk of losing parental care through family strengthening programmes that offer long-term, sustainable solutions. Through our youth empowerment and employability programmes we prepare young people to live independent lives and develop a skills that enable them to sustain their own livelihoods and families. In addition, a total of £150k went to supporting children at risk during the Covid-19 emergency.

RESERVES

The 31 December 2021 unrestricted reserves position is £2.03m which are classified as follows:

- Designated Funds – As of 31 December 2021 the Charity had one designated fund which was created, at the discretion of the Trustees to protect against any potential foreign exchange loss. It continues to be maintained at least at 5% of the annual value of our international transfers and the fund balance was £206k. The second designated fund for investment in our fundraising strategy has now been fully utilised.

- General Funds - The Board of Trustees require the Charity to maintain readily accessible assets sufficient to fund not less than 9 and not more than 12 months of running cost, at all times. In 2021 this equated to £1.47m - £1.95m, and as at 31 December 2021, the net operational reserves were £1.82m which provides an 11-month cover of running costs.

CONTENTS

INVESTMENTS

Investments are overseen by the Audit and Risk Committee. Professional Fund managers have been appointe to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

The Charity has two portfolios: an equity growth portfolio, and a short-dated corporate bond portfolio. As at 31 December 2021 our equity and bond investments with M&G have fully regained their pre-COVID value after investor confidence in the market returned in the final quarter. The end of 2021 the value of the investment was £1,253k which is £155k/14% higher than the previous year when it was £1,098k for the same level of investment, £750k in Charifunds and £250k in Charibonds.

EMPLOYEES AND VOLUNTEERS

Information about our aims, activities and other relevant information is disseminated to all staff and volunteers through briefings, meetings and written documents. The Charity consults with all staff on key issues through regular team meetings, planning sessions and away days.

SOS Children's Villages UK is committed to being a diverse and inclusive charity. The Charity aims to demonstrate support for all its employees and volunteers, valuing each individual's contribution regardless of age, gender, gender identity, sexual orientation, marital status, civil partnership status, disability, nationality, race, religion or belief. We are committed to providing equal opportunities for all employees and volunteers.

We will continue to support flexible working in order to recruit and retain staff, wherever that aligns with the Charity's operational requirements. We will make further investments in IT to support this.

Appropriate arrangements have been made for the recruitment, continued employment and training, career development and promotion of people with disabilities employed by the Charity. Should any staff become disabled, every effort is made to continue their employment and, where necessary, to provide reasonable adjustments and support. There is a pension scheme available to employees.

RISK MANAGEMENT AND INTERNAL CONTROLS

The risks the Charity faces are formally reviewed twice a year. Any new risks that are identified are assessed in terms of the likelihood of their occurrence and their potential impact in order to rank all risks. Significant risks are highlighted for consideration and monitoring by the Finance and Audit Committee and reported to the Board of Trustees twice a year. The Senior Management Team takes the lead in terms of day-to-day management of these and other operational risks and reports on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

The Charity operates a comprehensive annual planning and budgeting process, which is approved by the Trustees. Performance is monitored through the use of financial targets and other key performance indicators. Reports are made to the Trustees which compare actual results against the phased budget and which link financial and other performance with resource and activity levels.

As part of their audit of the financial statements, the Charity's Auditors review the internal controls. SOS Children's Villages UK does not have dedicated internal auditors.

Below is a list of five major risks the Trustees have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
Reputational risk arising from the actions or omissions of other SOS Member Associations or the General Secretariat	▪ Maintain close working relationship with General Secretariat Communications Team. ▪ Contribute to Secretariat Crisis Communications Planning. ▪ Establish and maintain good working relationships with key media outlets. ▪ Develop staff understanding of SOS work, strengths and challenges. ▪ Crisis Communications process rolled out to staff. ▪ Safeguarding Taskforce established to make recommendations to improve oversight.
Child or vulnerable person safeguarding incident	▪ Child and Vulnerable People Safeguarding Policy in place and implemented. ▪ Regular review of safeguarding outcomes and reporting by the Safeguarding Committee of the Board of Trustees. ▪ Programme visit protocol for staff, volunteers and donors in place and implemented. ▪ Staff and Trustee training. ▪ New staff induction. ▪ Legal advice taken on Charity Commission serious incident reporting guidance.
Short term changes to programming and priorities within the Federation impacting on funding relationships.	▪ Establish and maintain good working relationships with Federation Regional offices. ▪ Establish and maintain good working relationships with National Association. ▪ Directors and Project Managers. ▪ Contribute to Federation discussions on programming and priorities. ▪ Keep donors informed.
Failure to meet income targets	▪ Monthly management accounts report to SMT to identify challenges and take mitigating actions. ▪ Monthly management accounts reporting to SMT to identify challenges and take mitigating actions. ▪ Ongoing cash flow monitoring. ▪ Quarterly reporting to the Board of Trustees, including income and reserves projections. ▪ Ongoing investment in fundraising strategy to grow charitable income and spread risk across income channels
Loss or misappropriation of the Charity's financial assets	▪ Control procedures in place for approving financial transactions. ▪ Appropriate insurance in place. ▪ Purchasing process in place. ▪ Annual audit. ▪ Regular reporting against budgets. ▪ Quarterly reporting to the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable Objects

The objects of the Charity are set out in the Articles of Association, which were revised and agreed by the Board of Trustees in December 2017. In summary, these are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but no exclusively by the establishment and maintenance throughout the world of SOS Children's Villages and the education of children and young persons from SOS Children's Villages.

SOS Children's Villages Federation

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. We have committed to support the development of two members, SOS The Gambia and SOS Zambia through our fundraising for programme activities they deliver and building their capacity for programme delivery and monitoring. In 2021, a total of 4,774 children and 287 villages worldwide were supported by sponsors in the UK. This means that supporters in the UK provided sponsorship or other financial support to SOS's work in 115 countries in total.

Board of Trustees

SOS Children's Villages UK is governed by a Board of Trustees, made up currently of eight members, who are legally responsible for directing the affairs of the Charity. The Trustees have full legal responsibility for the actions of SOS Children's Villages UK. They are also the directors of the company for the purposes of the Companies Act 2006.

Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. Trustees are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background in order to support the Charity's operations.

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board of Trustees delegates day-to-day management of the Charity through the Chief Executive to the Senior Management Team (SMT). The Board of Trustees also delegates specific responsibilities to its sub-committees:

- The Finance & Audit Committee meets at least four times a year to review the Charity's annual financial statements, internal financial control and risk management systems and external and internal audit matters.
- The Human Resources Committee meets twice a year to oversee the Charity's people management policies and best practice implementation.

Additionally, in 2022 the Board of Trustees' Safeguarding Working Group was formally constituted as the Safeguarding Committee, which meets twice a year to review safeguarding outcomes and reporting.

The Trustees do not receive any remuneration for their services. Trustees may claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties. The members of the company comprise all of the Trustees.

The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. In 2019 the Board undertook a review of its effectiveness using the Code as the basis for evaluation. In 2020 two new Trustees were appointed bringing programme development and governance experience, respectively, so as to expand the skill set and expertise of the Board to better support the organisation's strategy for sustainability. In 2021 an external recruitment agency supported the search for an appointment of a new Chair as result of which Harpinder Collacott was appointed to the role with effect from 1 January 2022.

Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role.
Remuneration for the Senior Management Team is set by the Chief Executive Officer, in accordance with the Pay Policy agreed by the Board of Trustees. .

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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 2019).

Public Benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

SOS Children's Villages UK fulfils the public benefit by the relief of poverty, and improvement of poor education and health outcomes for children and their families. Details about the specific programmes pursued can be found earlier in this report.

Policies and procedures for the induction and training of trustees

The Trustee induction and training programme is comprised of a variety of activities spread over a period of time, including:

- meetings and introductions to other trustees, employees and beneficiaries
- invitations to events, meetings and presentations
- a trustee induction pack
- access to relevant training through National Council for Voluntary Organisations (NCVO).

CONTENTS

PRESIDENT

Dame Mary Richardson DBE

BOARD OF TRUSTEES

CHAIR

Harpinder Collacott, appointed on 1 January 2022

Michael Brewer, appointed interim Chair 13 December 2020

TREASURER

Matthew de Villiers

BOARD MEMBERS

Graham Budd

Don Haszczyn

Nicola Robert

Ian Briggs

Solava Ibrahim, appointed 8 July 2020

Susie Hargreaves, appointed 8 July 2020

COMPANY SECRETARY

Clare Jenkins, resigned 12 February 2021

Begay Jabang, appointed 7th April 2021

SENIOR MANAGEMENT TEAM

Alison Wallace, Cheif Executive officer

Susanne Owers, Director of Fundraising

Clare Jenkins, Director of Finance and IT, resigned 12 February 2021

Catherine Weston, Director of Communications and Brand

Craig Mullaly, Director of Individual Giving

Begay Jabang, Director of Finance and IT, appointed 11 January 2021

DISCLOSURE OF INFORMATION TO AUDITORS

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.

Company Registered No. 03346676
Charity Registered No. 1069204

ORGANISATIONAL DETAILS

Registered office:
Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent Auditors:
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Principal Bankers:
Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:
Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

TRUSTEES' RESPONSIBILITIES, AUDITOR'S REPORT AND FINANCIAL STATEMENTS

Statement of Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Charity. In preparing the financial statements, the Board of Trustees is 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 assume that the Charity will continue its activities
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These must be sufficient to show and explain the Charity's transactions. They should disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that its financial statements comply with the Companies Act 2006. The Trustees have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity, and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 13 July 2022. Signed on its behalf on 13 July 2022.
by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Independent Auditor's Report
to the Members of SOS Children's Villages UK

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, 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 Charity's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' report.

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

- adequate and proper accounting records have not been kept for the charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charitable company this included employment law, financial reporting and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting.
- We have reviewed any correspondence with the Charity Commision and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

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.

H Wilkinson

Helena Wilkinson BSc FCA DChA
(Senior Statutory Auditor)

for and on behalf of

PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 10th August 2022

Financial Statements

Statement of Financial Activities
(including Income and Expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations and legacies	2	5,683,608	2,114,098	**7,797,706**	4,242,490
Other income	3	-	50,075	**50,075**	17,512
Investments	4	-	1,005	**1,005**	5,004
TOTAL INCOME		5, 683,608	2,165,178	**7,848,786**	4,265,006
EXPENDITURE					
Raising funds	5	38,025	1,443,592	**1,481,617**	1,068,287
Charitable activities	5	3,365,725	378,333	**3,744,058**	3,889,656
TOTAL EXPENDITURE		3,403,750	1,821,925	**5,225,675**	4,957,943
Net gains/(losses) on investments		-	155,497	**155,497**	(114,770)
NET MOVEMENT IN FUNDS		2,279,858	498,750	**2,778,608**	(807,706)
Reconciliation of funds: Total funds at 1 January 2021	14	842,490	1,841,315	**2,683,806**	3,491,512
TOTAL FUNDS AT 31 DECEMBER 2021	14	3,122,348	2,340,066	**5,462,414**	2,683,806

All activities relate to continuing operations.

The notes on pages 69-89 form part of these financial statements.

Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible Assets	10	**124,882**	-
Tangible fixed assets	10	**17,261**	20,737
Investments & long term deposits	11	**1,253,290**	1,097,793
TOTAL FIXED ASSETS		**1,395,433**	1,118,530
CURRENT ASSETS			
Debtors	12	**3,116,020**	865,018
Cash at bank and in hand		**2,082,885**	1,961,016
TOTAL CURRENT ASSETS		**5,198,905**	2,826,034
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	**(1,131,923)**	(1,260,758)
NET CURRENT ASSETS		**4,066,981**	1,565,276
TOTAL NET ASSETS		**5,462,414**	2,683,806
FUNDS OF THE CHARITY			
Restricted income funds	14	**3,122,348**	842,490
Unrestricted income funds	14	**2,340,066**	1,841,315
TOTAL CHARITY FUNDS		**5,462,414**	2,683,806

The attached notes on pages 69-89 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 13 July 2022 and signed on their behalf by:

Harpinder Collacott
Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

Statement of Cash Flows
For the year ended 31 December 2021

	Total 2021 £	Total 2020 £
Net expenditure for the year (as per the Statement of Financial Activities)	**2,778,608**	(807,706)
Adjustment for:		
Depreciation of fixed assets	**4,335**	6,114
Donated assets	**-**	5,750
(Gain)/Loss on fixed assets disposals	**174**	2,003
(Gain)/Loss on investments	**(155,497)**	114,770
Dividends, interest and rents from investments	**(1,005)**	(5,004)
(Increase)/Decrease in debtors	**(2,251,002)**	241,858
(Decrease)/Increase in creditors	**(128,835)**	(53,765)
Net cash used in Operating Activities	**246,778**	(495,982)
Net cash provided by/ (used in) Operating Activities	**246,778**	(495,982)
Cash Flows from Investing Activities		
Bank interest received	**1,005**	5,004
Purchase of Fixed Assets - Tangible	**(1,032)**	(13,481)
Purchase of Fixed Assets - Intangible	**(124,882)**	-
Net cash provided by / (used in) Investing Activities	**(124,909)**	(8,477)
Change in cash and cash equivalents in the year	**121,869**	(515,958)
Cash and cash equivalents brought forward	**1,961,016**	2,476,974
Cash and cash equivalents carried forward	**2,082,885**	1,961,016

The notes on pages 69-89 form part of these accounts.

Notes to the Financial Statements
For the year ended 31 December 2021

SOS Children's Villages UK is incorporated in the United Kingdom as company limited by guarantee, company number 03346676 and is a registered charity in England and Wales, registration number 1069204. SOS Children's Villages UK is a Public Benefit Entity whose registered office and operational address is Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB.

1. Accounting policies

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) for Accounting and Reporting by Charities, the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 18. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

Going concern

Whilst the COVID 19 pandemic has created unprecedented disruption of normal operations and created uncertainty about the future as a Charity we have been able to successfully adapt the way we work. A going concern review process is in place which includes a 5-year financial projection and scenario planning of income and expenditure and levels of reserves forecast. The financial plan takes into consideration the current economic and geo-political conditions and their impact on our main income streams and consequent implication for fundraising investment as well as normal spend levels. The Trustees are regularly monitoring the Charity's finance as well as key risks and therefore have a reasonable expectation that SOS Children's Villages UK has sufficient resources to continue in operational existence for the foreseeable future and they consider that there are no material uncertainties about the Charity's ability to continue as a going concern and these accounts have therefore been prepared on this basis.

1. Accounting policies (continued)

1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 8 members of the company being the Trustees named on page 57. The registered office address is also shown on page 57.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the purposes they have been raised by the Charity and are shown as restricted funds in the statement of financial activities. An analysis of the movements on restricted funds is set out in Note 14 after allowable expenditure has been applied.

Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and a contingency fund for other unidentified operational issues.

2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:

a.) Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income. In 2021 these funds were fully utilised.

b.) The Trustees anticipate the designated reserves to be fully utilised over the coming next three years.

An analysis of the movements on unrestricted funds is set out in Note 14.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and grants received during the year are fully accounted in that year unless they are subject to performance-related conditions or other terms and conditions that may prevent income recognition.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation and are treated as unrestricted income unless otherwise specified by the donor and is recognised at the time of the donation.

Legacies are recognised when receipt is reasonably certain, and the amount can be reliably measured. Receipt of a legacy, in whole or in part, is only considered reasonably certain when the charity has been notified of the executor's intention to make a distribution following the agreement of the estate's accounts. Where the charity is aware of the granting of probate, but the final or interim estate accounts have not been received to determine amounts receivable, then the legacy is treated as a contingent asset and disclosed if material. However, income relating to both pecuniary and residuary legacies is accrued if the amount is material and the Charity has received evidence to support its receipt within six months of the year end.

Gifts in kind i.e. goods, facilities and services donated for the charity's use, are included at a value equivalent to that which the charity would ordinarily incur on them and, are recognised in the Financial Statements, as both income and expenditure.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. governance costs are allocated to the applicable expenditure headings.

Charitable expenditure relates to work undertaken by the charity, in supporting children and Children's Villages in which children without parental care live, delivering family strengthening and youth empowerment programme, responding to emergencies including COVID 19, sector strengthening and capacity building. Expenditure on charitable activities includes both costs that can be directly allocated as well as costs of an indirect nature such as support costs incurred to provide the infrastructure and critical Finance, HR, admin and IT service as well as a share of the governance costs.

The costs of raising funds relate to the costs incurred by Charity on activities to generate donations grants and legacies and to keep donors informed about our work. Costs are made up of salaries of people working on fundraising, supporter care and the direct costs of running fundraising campaigns as well as the indirect costs necessary to support fundraising activities.

Support costs comprise the infrastructural and organisation services that support the charitable activities. i.e. the salary of the support functions such as Finance, IT Human Resources & Admin, the Chief Executive's Office, rent, office running cost and the fee paid for being a member of the SOS Children's Villages federation.

Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include a percentage of salaries for time spent on governance, company secretarial and external audit costs, legal, tax advice, meeting costs of the Board and its Committees and an allocation of support costs.

1. Accounting policies (continued)

1.6 BASIS OF EXPENDITURE ALLOCATION

The greatest proportion of the Charity's expenses are directly attributable to either raising funds or specific charitable activities. The remaining costs relate to support and governance costs which support more than one activity and are as a result allocated to raising funds and charitable activities based on staff time.

The basis of cost expenditure allocation is reviewed periodically for reasonableness.

1.6 TANGIBLE & INTANGIBLE FIXED ASSETS AND DEPRECIATION

A new deprecation policy has been introduced in 2021 and so now all items costing more than £1,000 and are expected to have and economic useful life beyond 1 year are capitalised.

Tangible and Intangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible Assets -Furniture & Fittings
10% per annum
Tangible Assets - Office Equipment
20% per annum
Tangible Assets- Computer Hardware
20% per annum
Intangible Assets- Software
14%-20% per annum

1.7 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the SOFA.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

CONTENTS

1.9 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

1.11 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.12 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 PENSIONS

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

1.15 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, at the bid rate. All other assets and liabilities are recorded at cost which is their fair value.

1.16 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities in the year (2020: Nil). Income Tax incurred by deduction is reclaimed in full from the HMRC.

SOS Children's Villages UK is registered for VAT.

1. Accounting policies (continued)

1.17 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies described above, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting estimates that have an effect on the amounts recognised in the financial statements are described in the accounting policies and detailed in the relevant notes to the accounts:

a.) grant, legacy and gift in kind income are detailed in Note (2)

b.) The allocation of support costs which requires a judgement on the most appropriate basis to apportion costs and are detailed in Note (6)

c.) accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

Note 2 Income from donations and legacies - Current Year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gifts and donations	3,489,108	1,108,788	4,597,895	**3,436,397**
Legacies	2,194,500	572,230	2,766,730	**337,419**
Gift Aid	0	433,081	433,081	**468,674**
Total donations and legacies	5,683,608	2,114,098	7,797,706	**4,242,490**

In 2021, the Charity secured a 3 year grant from another member of the federation, Hermann Gmeiner(HGFD) to support the growth of SOS Children's Villages UK. The grant amount for 2021 came to £519,869.

By the 31 December 2021 the Charity has been notified of legacies carrying an estimated value of at least £1.4m (£72k in 2020) which have not been recognised as income in the year because the SORP FRS102 income recognition criteria has not been met.

Note 3 Other Income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other Income	0	50,075	**50,075**	**17,512**

In 2021 the Charity received £50,032 from another member of the federation under a funds swap arrangement. In 2020 other income of £17,512 was for the Coronavirus Job Retention Scheme for one staff member.

Note 4 Investment Income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receiveable	-	1,005	**1,005**	4,916
Dividends receivable	-	-	**-**	88
Investments	-	1,005	**1,005**	5,004

Note 5 Analysis of Expenditure - 2021

	Activities directly undertaken 2021 £	Support costs 2021 £	Total 2021 £
Cost of raising funds:			
Costs of raising donation income	637,193	332,452	**969,645**
Exceptional investment in fundraising strategy	511,972	-	**511,972**
Total cost of raising funds	**1,149,165**	**332,452**	**1,481,617**
Charitable activities:			
Supporting Children & Village Communities	2,382,007	402,516	**2,784,524**
Family Strengthening	381,665	58,648	**440,312**
Youth Employability	358,745	59,863	**418,608**
Emergency Programmes	211,130	35,231	**246,361**
Total Charitable Activities before exchange movements	**3,333,548**	**556,257**	**3,889,805**
Exchange gain		(145,747)	(145,747)
Total Charitable Activities after exchange movements	**3,333,548**	**410,510**	**3,744,058**
Total Expenditure	**4,461,233**	**764,442**	**5,225,675**

Support costs include the impact of an exchange gain of £145,747 (in 2020 £99,037). Refer to note 6 for a further breakdown of Support Costs.

Analysis of Expenditure - 2020

	Activities directly undertaken 2020 £	Support costs 2020 £	Total 2020 £
Cost of raising funds:			
Costs of raising donation income	536,117	496,124	**1,032,241**
Exceptional investment in fundraising strategy	36,046	-	**36,046**
Total cost of raising funds	**572,163**	**496,124**	**1,068,287**
Charitable activities:			
Supporting children and village communities	1,777,768	220,000	**1,997,768**
Family strengthening	648,034	80,195	**728,229**
Education and youth employability	987,881	122,252	**1,110,133**
Responding to emergencies	50,144	6,205	**56,350**
Raising awareness with policy makers	85,618	10,595	**96,214**
Total Charitable Activities before exchange movements	**3,549,445**	**439,248**	**3,988,693**
Exchange gain		(99,037)	**(99,037)**
Total Charitable Activities after exchange movements	**3,549,445**	**340,211**	**3,889,656**
Total Expenditure	**4,121,608**	**836,335**	**4,957,943**

Note 6 Support costs - 2021

	Raising funds 2021 £	Charitable activiites 2021 £	Total funds 2021 £
Personnel costs	174,934	101,931	276,865
Premises cost	36,090	21,029	57,118
IT & website costs	47,980	27,957	75,937
Other support costs	73,448	236,115	309,563
Governance (note 7)	-	169,225	169,225
Total	**332,452**	**556, 257**	**888,709**

Support costs - 2020

	Raising funds 2020 £	Charitable activiites 2020 £	Total funds 2020 £
Personnel costs	165,529	88,961	**254,490**
Premises cost	59,818	39,879	**99,697**
IT & website costs	17,758	11,839	**29,597**
Other support costs	253,021	168,679	**421,700**
Governance (note 7)	-	129,891	**129,891**
Total	**496,126**	**439,248**	**935,374**

Support costs are allocated across the charitable activities to give the most accurate view using staff time as the basis. Support costs comprises of management administrative and governance costs which is made up of Chief Executive, Communications & Marketing, Finance, Information Technology, Human Resources and office running costs.

Included in Other support cost is the membership fee the Charity pays to be part of the federation and in 2021 the amount came to £253,500 (2020 £331,302). In 2021, membership fees have been apportioned based on the time spent by the International Office on the various activities which is different to the previous year, which was the time spent by SOS UK staff on the various activities.

Note 7 Governance - 2021

	Charitable activities 2021 £	Total funds 2021 £	*Total funds 2020 £
Staff costs	136,076	136,076	**117,921**
Chair recruitment	12,000	12,000	**-**
Audit fees	13,140	13,140	**11,970**
Legal fees	7,307	7,307	**-**
Meetings	259	259	
Other	444	444	
Total	**169,225**	**169,225**	**129,891**

* Costs are in relation to charitable activities only.

Note 8 Net expenditure / (income)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the Charity	**4,335**	6,114
Loss on the disposal of fixed assets	**174**	1,578
Auditors' remuneration	**13,140**	11,970
Operating lease payments	**43,229**	85,291
Pension	**40,693**	36,624
Foreign exchange (gain) / loss	**(145,747)**	(99,037)

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Note 9 Staff costs

	2021 £	2020 £
Wages and salaries	**954,659**	835,608
National Insurance costs	**105,006**	**79,082**
Pensions and other costs	**40,693**	**36,624**
Total	**1,100,357**	951,315

No severance payments were made to any employees in 2021 (2020: £3,000).

Average number of staff employed

The average monthly number of employees during the year was as follows:

	2021	2020
Fundraising	**13.30**	11.00
Programme Management	**0.80**	-
Communications	**4.10**	5.00
Finance / IT & Admin	**6.20**	5.50
Total	**24.40**	21.50

The key management personnel of the charity comprise of the Trustees and 5 others (2020: 5) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising, the Director of Individual Giving and the Director of Communications. No Trustees received any remuneration or benefits in kind from the charity (2020 - none). The total employee benefits of the key management personnel of the charity comprised of their salary, employer national insurance and pension contributions totaling £421,061 (2020 - £416,204).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2021	2020
In the band £60,000 - £70,000	**2**	1
In the band £70,001 - £80,000	**1**	1
In the band £80,001 - £90,000	**-**	-
In the band £90,001 - £100,000	**1**	1

Total employers pension contributions in relation to the above higher paid employees was £15,938 (2020: £10,658).

Note 10 Tangible & Intangible fixed assets

	Tangible fixed assets			Intangible fixed assets	Total fixed assets	
	Furnitue & fittings £	Computer Equipment £	Total £	Computer software £	2021 Total £	2020 Total £
COST:						
At 1 January 2021	11,939	110,442	122,381	**-**	122,381	152,257
Additions	-	1,032	1,032	**124,882**	125,914	19,231
Disposals	(1,977)	(62,223)	(64,200)	**-**	(64,200)	(49,107)
At 31 December 2021	9,962	49,251	59,213	**124,882**	184,096	122,381
DEPRECIATION:						
At 1 January 2021	3,855	97,788	101,644	**-**	101,644	142,598
Charge for the year	493	3,842	4,335	**-**	4,335	6,150
Disposals	(1,889)	(62,137)	(64,026)	**-**	(64,026)	(47,104)
At 31 December 2021	2,459	39,494	41,953	**-**	**41,953**	101,644
Net book value:						
At 31 December 2021	7,503	9,757	17,261	**124,882**	**142,143**	20,737
At 31 December 2020	8,083	12,654	20,737	**-**	20,737	9,622

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Note 11 Investments

	Listed investments 2021 £	Listed investments 2020 £
MARKET VALUE:		
At 1 January	**1,097,793**	1,212,563
Additions	**0**	0
Unrealised gain or (loss) on investments	**155,497**	(114,770)
At 31 December	**1,253,290**	1,097,793
Comprising of:		
Fixed interest	**255,601**	259,391
Equities	**997,689**	838,402
Total market value	**1,253,290**	1,097,793
Total historical cost of investment	**1,000,000**	1,000,000

Note 12 Debtors

	2021 £	2020 £
Other debtors	**211,351**	142,669
Prepayments and accrued income	**2,868,487**	647,778
Tax recoverable	**36,182**	74,571
Total	**3,116,020**	865,018

Note 13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**15,518**	15,086
Other taxation and social security	**42,945**	27,102
Other creditors	**36,468**	10,918
Accruals	**1,036,992**	1,207,652
Total	**1,131,923**	1,260,758

Note 14 Statement of funds

Current Year	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,611,150	1,852,678	(1,821,925)	24,580	155,497	1,821,981
Designated funds:						
Fundraising research & investment reserve	24,580	0	0	(24,580)	0	0
Foreign exchange reserve	205,584	0	0	0	0	205,584
India Legacy	0	312,500	0	0	0	312,500
Unrestricted funds sub total	**1,841,315**	**2,165,178**	**(1,821,925)**	**0**	**155,497**	**2,340,065**
RESTRICTED FUNDS						
Zambia	39,098	7,756	0	0	0	46,854
Gambia - YEP Project, Basse	70,041	161,646	(130,238)	0	0	101,450
Sponsorship fund	62,125	1,758,889	(1,817,241)	0	0	3,773
Africa – general	235,576	5,968	(227,519)	(14,025)	0	0
COVID 19 Appeal	264,811	32,968	(149,532)	8,644	0	156,891
Standard Chartered Foundation	0	459,218	(60,815)	0	0	398,403
M&G	0	240,000	(240,805)	0	0	(805)
Other Emergency Responses	27,629	2,687	(34,925)	5,381	0	772
Other projects <£50k	143,209	307,106	(222,806)	0	0	227,509
HGFD Grant	0	519,869	(519,869)	0	0	0
India Legacy	0	2,187,500	0	0	0	2,187,500
Restricted funds sub total	**842,490**	**5,683,608**	**(3,403,750)**	**0**	**0**	**3,122,348**
Total funds	**2,683,804**	**7,848,786**	**(5,225,675)**	**0**	**155,497**	**5,462,415**

Note 14 Statement of funds (continued)

Prior Year	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,943,275	1,678,117	1,839,888	(55,584)	(114,770)	1,611,150
Designated funds:						
Fundraising research & investment reserve	60,626	0	36,046	0	0	24,580
Foreign exchange reserve	150,000	0	0	55,584	0	205,584
Unrestricted funds sub total	**2,153,901**	**1,678,117**	**1,875,934**	**-**	**(114,770)**	**1,841,315**
RESTRICTED FUNDS						
Philippines	80,451	0	0	(80,451)	0	0
Zambia	38,586	29,468	28,956	0	0	39,098
Gambia - The European Union	0	0	0	0	0	0
YEP Project, Basse	41,372	108,998	80,328	0	0	70,042
Bolivia, La Paz	429,441	0	429,441	0	0	0
Sponsorship fund	34,163	1,914,543	1,917,815	0	48	30,939
Africa - general	322,968	0	47,370	0	(40,022)	235,576
Other projects <£50k	390,630	486,752	563,100	(152,232)	39,974	202,024
COVID 19 Appeal	0	47,128	15,000	232,683	0	264,811
Restricted funds sub total	**1,337,611**	**2,586,889**	**3,082,010**	**0**	**0**	**842,490**
Total funds	**3,491,512**	**4,265,006**	**4,957,944**	**-**	**114,770**	**2,683,806**

Designated funds held for investment in fundraising activities have now been utilised. Each restricted fund has arisen in line with specific restrictions placed by the donor. The majority of restricted funds relate to specific SOS Villages and Projects overseas, such that funds are only used in connection with the donors' specified village and projects. In 2020 the Trustees agreed to reallocate old, restricted fund balances for emergency COVID-19 support. Transferred funds have been utilised within the same countries originally specified by the donors.

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Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	-	124,882	**124,882**
Tangible fixed assets	-	17,261	**17,261**
Investments	-	1,253,290	**1,253,290**
Current assets	3,122,348	2,076,557	**5,198,905**
Creditors due within one year	-	(1,131,923)	**(1,131,923)**
Total	**3,434,848**	**2,027,566**	**5,462,414**

Analysis of net assets between funds - Prior Year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	20,737	**20,737**
Investments	-	1,097,793	**1,097,793**
Current assets	842,490	1,983,544	**2,826,034**
Creditors due within one year	-	(1,260,758)	**(1,260,758)**
	842,490	1,841,316	**2,683,806**

Note 16 Analysis of changes in net debt

	Balance brought forward 01/01/2021 £	Cashflow £	Balance carried forward 31/12/2021 £
Cash in hand	**1,961,016**	**121,869**	**2,082,884**

Note 17 Operating lease commitments

At 31 December 2021 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2021 £	2020 £	2021 £	2020 £
Expiry Date:				
Within 1 year	**42,000**	42,000	**4,208**	3,467
Between 2 and 5 years	**105,000**	147,000	**9,356**	1,359
After more than 5 years	**0**	0	**0**	0
Total	**147,000**	**189,000**	**13,564**	**4,826**

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

Note 18 Related party transactions

At 31 December 2021 the Charity held all 100 ordinary shares of £1 each in the wholly owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom. Theae shares were written down to nil value in the 2002 accounts and the company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £28,875 (2020 £27,868) was received from the Pakistan Support Group and a further amount was received directly from PSG child sponsors £52,170 (2020 £66,075). A Khan, who resigned from her position as a trustee of SOS Children's Villages UK in 2019 is currently a bank signatory of the Pakistan Support Group.

Hong Kong Friends of SOS Children Limited is a branch of SOS Children's Villages UK and not consolidated on the basis of materiality. During the year under review Hong Kong Friends of SOS Children Limited had a turnover of £4,084 (2020 £2,212) and a net deficit of £3,051 (2020 net deficit £3,149).

There are no other related party transactions.

Note 19 Trustee expenses

The trustees did not receive any remuneration neither did they make any claim for the reimbusrments of expenses during the year (2020: Nil).

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SOS CHILDREN'S VILLAGES UK

SOS CHILDREN'S VILLAGES UK

England & Wales - Charity number 1069204

Accounts

2020 ANNUAL REPORT

SOS CHILDREN'S VILLAGES UK

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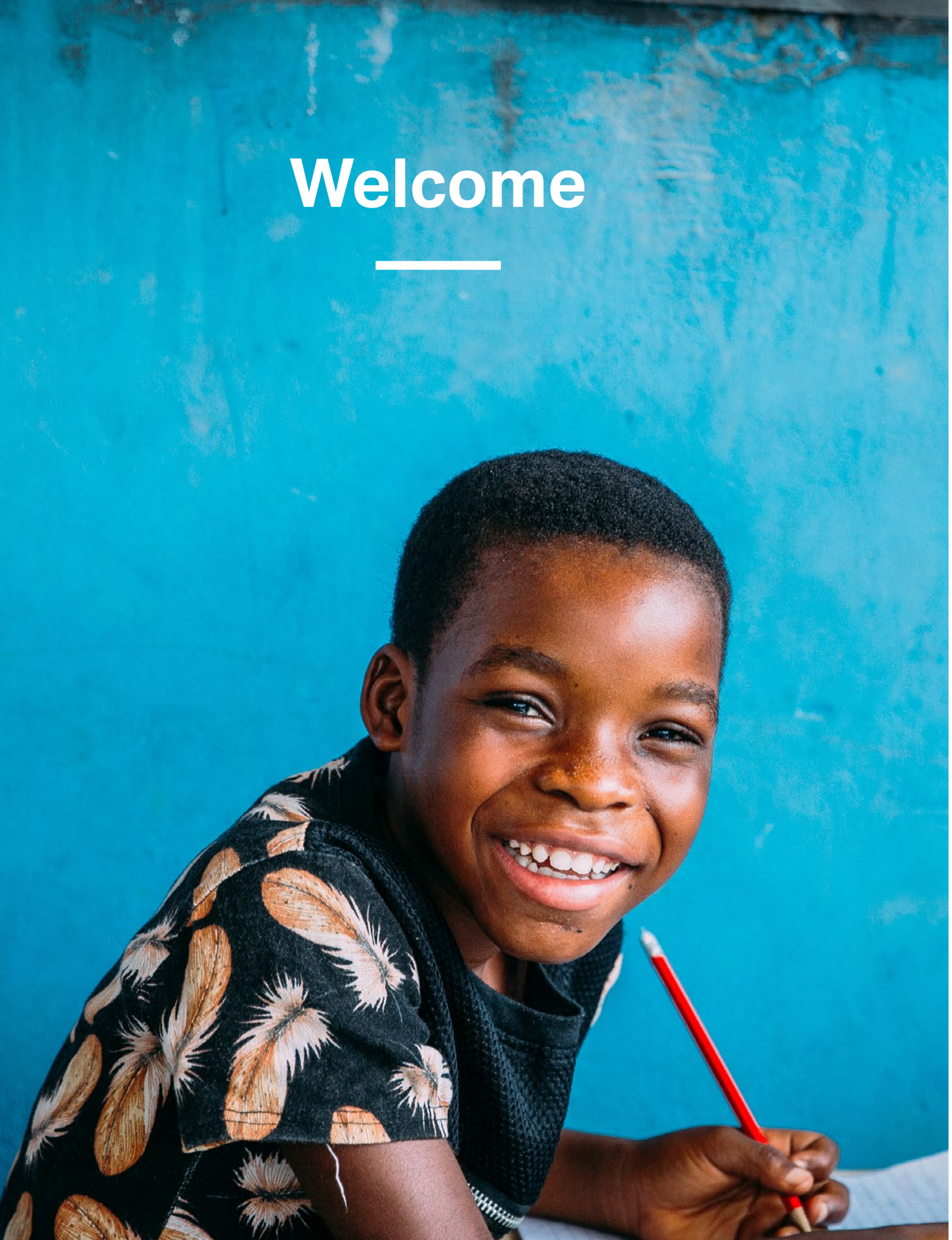
Welcome



2020 was a year like no other. As the coronavirus spread throughout the world, and national restrictions came into force, the effects of the virus devastated the communities we work in, potentially reversing decades of progress in poverty, healthcare and education. But true to our mission to protect vulnerable children, our teams across the world sprang into action adapting our efforts instantly to meet the rapidly changing needs of the children we seek to protect.

Many of the children and families we support are particularly vulnerable to coronavirus, so our priority was to maintain their safety and ensure they did not slip further into extreme poverty.

Many people lost their jobs and had to rethink how to feed their families, relying again on hand-outs. Children we had supported to get into schools were once again at home, and often didn't have the access or resources to do their schoolwork remotely. Parents were heartbreakingly forced to make difficult decisions between buying food or soap.

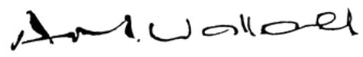
From such a painful year, came incredible resilience too. Without delay, SOS staff provided safe places for homeschooling in Ghana for those without access to technology, taught communities to make face masks in Somalia and provided food and financial assistance to those in the slums of Kenya. They even succeeded, undeterred, in opening a youth employability training centre in one of the poorest regions of The Gambia and a community health centre in a remote part of Brazil.

From March 2020 our UK office went into lockdown and all our staff started working from home. We were very fortunate that despite the circumstances we were able to continue uninterrupted with our commitments to our beneficiaries and programmes.

We appreciate that many supporters experienced difficulties and had their own worries about their health and finances, and we are grateful for their continued support. We also want to thank the people of the UK for their immense generosity in responding to our coronavirus appeal.

It has been a challenging year, but through it all we have made a surprising degree of progress. With our donors' support, parents and young people are learning new skills, and embarking on promising new careers which is more important than ever in this post covid era.

Of course, none of this would have been possible without the generosity and dedication of our supporters and partners. Thank you for helping us to improve the lives of vulnerable children and giving them the opportunity to lead meaningful and fulfilling lives well into adulthood.

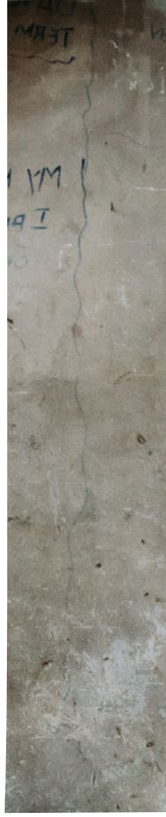


Alison Wallace
CEO

Michael Brewer
Interim Chair of Trustees

Year in review **2020**

In 2020, money from UK donors was raised through our child and village sponsorship programme, public donations, the fundraising efforts of community groups, charitable trusts and foundations, and voluntary income from corporate partnerships. We continued to receive sizeable funding from M&G plc, PD Foundation, DeMellier, Lines & Current, and From Babies with Love as well as individual sponsors and donors. We are extremely grateful for this ongoing generous support, especially in a year as difficult as this one. Read more about the financial breakdown on pages 64-66.



Year in review **2020**

Over the course of the year, funding went towards: maintaining and supporting SOS Children's Villages in Zambia and The Gambia; public health campaigns on the prevention of coronavirus as well as essential kit such as masks and disinfectants and urgent food rations or financial support to communities around the world; supporting young people in rural Gambia through a training and employability programme; providing green energy in Kara Children's Village in Togo; building a new SOS Children's Village in a remote region of Pakistan; the emergency response and subsequent support in Beirut following the port explosion; and a new community centre in the rural area of Araçoiaba in Brazil serving a once cut-off part of the country with much-needed health care and family support.

In April 2020, SOS Children's Villages UK launched its largest emergency appeal in recent years to ensure that those hardest hit by the global coronavirus pandemic could get the support they needed. Immediate requirements included protective health care equipment and infection control measures, food provisions, pedagogical and ICT support for home-schooling and emergency help for former SOS young people who were living independently before the crisis.

With schools and education centres closed and many SOS centres having to close in line with national restrictions, across the world, SOS acted quickly to reach communities with urgent food supplies as well as providing access to online lessons and workshops, keeping in touch with vulnerable families online or in person with protective measures in place, and providing the assistance they needed.

SOS Children's Villages continued to support families to stay afloat and enable them to keep their children safe. We also expanded our reach to accommodate the expected increase in the number of struggling families and children from the wider communities.

We adapted our efforts as the crisis unfolded and continue to work with children, young people and their families to help them get back on track once the pandemic is over. SOS Children's Villages UK is enormously proud of the contribution we made to this global effort due to the generosity of our supporters, who contributed a total of £4.2m to our appeal and other fundraising efforts.

The impact of **COVID-19 on our work**

While the COVID-19 outbreak was having far-reaching impacts on our partners and beneficiaries, here in the UK we were able to respond by quickly re-aligning our priorities to focus on maintaining our support for programmes and the people working in and benefitting from them and protecting our staff team.

With thanks to the generous support of our donors, we were able to commit our planned levels of support to villages, family strengthening programmes and training and employability programmes. Additionally, we were able to respond to two emergency appeals during the year:

1. For increased resources to respond to the COVID-19 pandemic and a total of £47k was raised. SOS Children's Villages UK was able to allocate a further £233k raised from its other fundraising activities to bring the total COVID-19 response funds to £280k. This was allocated to nine countries namely India, Philippines, Palestine, South Africa, Haiti, Thailand, Malawi, Zimbabwe and Syria.

2. To support the families and communities devastated by the massive explosion in Beirut in August. This is principally because SOS Children's Villages UK has a broad fundraising portfolio of regular and multi-year donations and does not rely on a retail offering or public fundraising events. These two last fundraising methods were particularly hard hit by the UK government's public health measures including lockdown restrictions.

As we look to the future, we will seek to partner with our sister SOS Children's Villages organisations to focus on local recovery and support the building of community resilience, such as training and employability programmes and economic empowerment.

With regards to the staff team, our office closed on 23 March 2020 in response to government advice that people stay at home to prevent the spread of the virus. All our staff team were able to work from home immediately, although over time we updated IT equipment for some individuals in order to improve their working experience. Due to earlier investment in cloud-based applications, the team was able to work together, remotely, with relatively minimal disruption.

However, our physical IT infrastructure required some in-person attendance. We were also able to make use of increased familiarity with videoconferencing to reach out to donors with a series of online webinars.

Staff were able to return to the office as lockdown restrictions were relaxed from 1 June, subject to a full risk assessment and the implementation of COVID-19 safe workplace requirements, principally mask wearing and social distancing. However, subsequent lockdown restrictions later in 2020 meant staff worked from home wherever possible.

We faced some increase in costs, for example to print and despatch a mailing to child sponsors normally undertaken by villages and to make our office COVID-19 safe, but these were outweighed by office cost and other administrative savings.

Looking to the future, we will continue to invest in cloud-based systems to support access, cost effectiveness and security. In particular, we are investing in a cloud based, and more productive CRM and finance system.

In 2020 SOS Children's Villages UK raised funds that supported vital work carried out by our colleagues from the SOS Children's Villages Federation around the world.

SOMALIA

Mother & Child Hospital

Thanks to long-term partners DeMellier, for their generous donation to the SOS Mother and Child Hospital in Mogadishu in 2020, we were able to help cover some of the immense gaps created by coronavirus in the community. As well as its patients, the SOS Mother and Child Hospital serves Somalia's refugee camps and slums. Somalia has 1.7 million people who have been internally displaced by conflict, insecurity, forced evictions, droughts and floods, most of them living in refugee camps. In 2020, the team worked overtime to distribute much needed medical treatment and nutritional support to toddlers and babies, sticking to strict social distancing rules throughout at the designated distribution points. They set up isolation stations, sent home older employees and introduced admission controls at the clinic gates, as well as reducing visitors to enable them to continue their work safely.

In Somalia, access to even the most basic healthcare is severely limited due to violence and insecurity as well as a lack of basic infrastructure, and the cost of face masks rocketed from $2 per pack to $50 making them financially unviable for the hospital. The team faced huge challenges in controlling and preventing the spread of the virus amongst staff and the communities accessing its services. Undeterred, they set about making their own face masks with locally available materials which they also distributed to the Ministry of Health and the local community enabling them to protect themselves and their patients and continue to educate the community about coronavirus prevention.

CONTENTS

THE GAMBIA

Youth Training & Employability Programme

In February 2020, as part of our Youth Training and Employability Programme, the vocational training centre in the Upper River Region (the poorest part of The Gambia) opened its doors for young people to access training and employability skills. The programme is generously majority funded by PD Foundation, and co-funded by corporate partners Lines & Current and Cambridge Assessment.

The five-year project aims to empower 1,000 young people with training and employability skills to help them build sustainable livelihoods. 201 students were enrolled, 60% of them female and six with disabilities. As well as their respective vocational training courses, the students attended basic maths and English lessons and received entrepreneurial skills training in financial literacy, and soft skills training in how to present at an interview, write a CV and work effectively as a team. All courses are accredited by the National Accreditation and Quality Assurance Authority (NAQAA) ensuring that young people achieve nationally recognised qualifications. Due to coronavirus the training was suspended after six weeks and the centre closed for six months in March 2020.

During the closure, training instructors and project staff continued to maintain contact with students especially those at risk of dropping out, and women and girls who were at risk of gender-based violence and psychological stress. SOS The Gambia teams maintained regular contact with primary caregivers and families to support young women to continue with their training once the centre reopened. Once lockdown restrictions were eased, any young woman that was identified as 'high-risk' of drop-out, was visited by the project team and psychosocial support was offered to them.

Restrictions on educational facilities were lifted in October 2020 and the centre successfully reopened and continues to deliver vocational and employability skills training for young people in rural Gambia.

Ena's Story

Ena was born in a small village. Her family were seasonal farmers and only had a reliable income for a few months every year. She lost her father, the breadwinner in the family, five years ago. Since then, she has become the head of the household and had to manage the small farm along with trying to keep up with her studies. She dreamed of joining the local police force, but she could not get the grades she needed. She was unable to finish her education and married at a young age.

Now separated from her husband, she looks after her elderly mother and two young children. She heard about the Youth Training and Employability Programme through a friend. She joined the programme in January 2020, enrolling on to the sewing course and looked forward to improving her literacy. She now dreams of becoming a fashion designer and having her own business.

"I want to earn enough to provide for my children and my mother. I want to take this opportunity to learn skills and become self-reliant. I want to show my ex-husband that without him I can look after myself, my children and my mother."

TOGO
Green Energy Project

With thanks to generous donors we were able to fund the construction of solar photovoltaic mini stations providing reliable green energy to the village community in Kara, Togo.

The Kara region is one of the poorest in Togo. It is estimated that 75% of the population live in poverty. The infrastructure is in dire need of updating and about half of the population does not have clean water to drink. Struggling families face continuous barriers to accessing healthcare and sending their children to school.

Togo has long been faced with limited access to electric power and endemic electricity shortages with only 28% of the population having access to electricity, far below the already poor West African average of 40%.

Building photovoltaic mini stations to power family homes will have a significant impact on the lives of the children within SOS Children's Villages Kara, mainly that continuous lighting extends the studying hours for children and provides internet access for them to study. It will also help women and children feel safe in the dark, extending playtime and enabling women to go out without fear. The photovoltaic plants can also power water pumps to fill the water tower in the village.

With improved and consistent electricity, research has shown that children's interest and performance in school improves, households have fewer respiratory ailments from burning coal or wood indoors and fewer accidents.

Image taken at the SOS Children's Villages ReBuild programme in Uganda which uses green energy sources similar to the project in Togo.

SRI LANKA

Family Strengthening Programme

In 2020, PD Foundation continued to support the Family Strengthening Programme in Nuwara Eliya, Sri Lanka - one of the poorest districts most affected by the 26-year civil war.

Sri Lanka imposed heavy restrictions on movement during the pandemic, the effect of which was disproportionately felt by the poorest people who depend on daily wages to support their families, such as the tea pickers, the vast majority of whom are women. The lockdown resulted in the loss of income which has meant that many female-headed households were struggling to meet the basic needs of their families.

The Nuwara Eliya Family Strengthening Programme included providing ration packages with rice and canned goods, hygiene and sanitation supplies, financial assistance to parents and caregivers who had lost their jobs and once lockdown was eased, skills training to get them into work again.

To support children's remote learning, SOS Sri Lanka launched the 'Text2Change' programme providing educational content via SMS. They also helped parents and caregivers access specific advice on 'parenting during a pandemic' whilst updating them on schoolwork at a time when it was still challenging for SOS staff to visit communities in person.

CORPORATE PARTNERSHIP
M&G plc

Many of our programmes are only made possible by the generosity of our corporate partners such as M&G plc. In 2020 M&G plc and SOS Children's Villages UK embarked on a three-year partnership to strengthen families and empower young people with the skills they need to find sustainable employment. They are supporting SOS programmes for families struggling to get by in Italy, Poland, India, France, Germany, and Spain.

Last year, M&G plc directly supported 28,272 children, young people and parents. The partnership has enabled families to support their children emotionally and academically. SOS also ran activities to integrate families into the community and lead independent lives. Additionally, the partnership has directly empowered 950 young people by providing training and vocational skills.

M&G's contribution towards the national family strengthening and youth employability programmes supports approximately 121,000 families and young people annually.

"I have come a long way to build myself as a man, I have been able to turn away from those who would bring me down and turn towards those who could help me. Meeting SOS Children Villages was a key trigger in my life. I was able to share a lot of things, identify my priorities and find success."

- **Hugo**, 24, Youth Programmes, France

In February 2021, M&G plc will start a virtual mentoring programme, 'YouthLinks' for young people in India with ten M&G plc employees from India and the UK virtually mentoring 20 young people from India.

YouthLinks digitally connects young people aged 16-25 in SOS programmes with mentors from the corporate world. Over eight weeks, the mentors work with them covering a range of employability topics including CV writing, job interviewing, resilience, and confidence-building. Ultimately enabling them to become active members of their communities.

PAKISTAN

New village at Rawalakot

SOS Children's Villages is constructing a new village in Rawalakot, a mountainous region near the Kashmir border which will be the 15th village in Pakistan. Localised coronavirus restrictions slowed the construction of the village, and further delays were caused by torrential rains and snowfall. Despite these difficulties, good progress has been made and the construction is on track to be completed by summer 2022.

The Children's Village will provide homes for up to 100 children and around 12 SOS mothers. SOS Pakistan is constructing ten family homes, guestrooms, a director's residence, an administration block and a student activity area.

Meanwhile, at the other village communities in Pakistan, and with thanks to our generous Pakistan supporters here in the UK, the SOS teams took steps to lessen the spread of the virus by providing families and staff with appropriate protective equipment and hand sanitiser, as well as offering regular health checks and online meetings where possible.

INDIA, THE GAMBIA, ZAMBIA

Support through Sponsorship

In 2020, the largest number of UK sponsors supported SOS Children's Villages in India, The Gambia and Zambia. Here is just some of the amazing work they have supported.

Throughout the pandemic, SOS Children's Villages adhered to the World Health Organisation's advice on coronavirus and whilst in lockdown provided online learning for children and extracurricular activities within the villages such as yoga, art, cooking and gardening to maintain the children and staff's physical and mental wellbeing, with the older siblings often assisting the younger ones with their learning.

The villages continued their Family Strengthening outreach programmes assisting families who had lost their livelihoods due to coronavirus with financial support and food aid as well as skills and financial training to assist them to secure loans and start their own businesses, beginning their recovery and securing their futures and those of their children.

In Alwaye-Cochin, India, Saritha Madhu* was supported by the SOS self-help group through the pandemic. Her husband lost his job due to the lockdown and Saritha took over as the family breadwinner. Assisted by the SOS Income Generation Program Support (IGP) she started a hen rearing business and sold eggs locally.

In Bangalore, India, Nadiya's* husband lost his job as a cook and the couple quickly felt the pressure in their relationship. SOS's Family Strengthening Programme provided counselling to help them manage their challenges. Nadiya's husband started his own mobile food service, and the programme helped Nadiya leave her low paid job as a housemaid and take up a job as a Home Guard for the Indian government. During her free time, she supports her husband to run the mobile canteen.

In Chennai, India, Parameswari* who lives with her mother and children – her husband left a long time ago - lost her job during the lockdown. She joined the SOS Family Strengthening Programme which helped her with a self-help group and with skills training in tailoring. She is now a skilled tailor supporting her family with the money she now makes.

In Greenfields, India, Radha* lives with her four children and her husband. She worked as a daily wage earner. However, her income was not sufficient to feed the family of six. With the help of the SOS Family Strengthening Programme, her husband has started an electric item shop while Radha earns an income through tailoring and cutting clothes. She now owns her own boutique training other women in the community.

In Kolkata, India, Saundarya* is part of the SOS self-help group. She is a mother of two children and lives with her husband who has a disability. With the help of SOS, she received a van rickshaw and started a vegetable business.

In Trichur, India, Indira* has two children. Her husband Mrinal was the only breadwinner in the family. His work was to collect medicinal plants from the forest and sell them in town, but the government lockdown restrictions severely impacted his work. Indira and her family were struggling to meet the basic needs of their children. The SOS Family Strengthening Programme enrolled Indira in the self-help group and provided the finance she needed to open a grocery shop.

In Varanasi, India, Virendar* is a father of five and a daily wage earner who works at a construction site. He would go to the city every day to find work. When the government imposed the lockdown, Virendar lost his job. When SOS heard about the situation of the family, they provided rations and sanitisation products. Now lockdown has been lifted, Virendar has started earning again and his wife, Geeta, is also planning to start sewing for work.

In Basse, The Gambia, Faye Nyama*, who came to the SOS Children's Village as a child, collected funds and bought face masks for the vulnerable and for patients in hospital. Faye started helping people in the community around her school when she was thirteen. At fifteen, she joined the peer health club and is now a social worker with her own charitable foundation.

In Chipata, Zambia, Nermon* joined the Skills Training Institute with the help of the SOS Family Strengthening Programme. He has a passion for computer skills and business management and after completing his training, the SOS team helped him with a small grant to kick start a business of his own. He bought two computers, a printer, a binding machine and a scanner and opened up a little shop, the first of its kind in his village. His business has been growing steadily and he now offers lessons to other young people interested in learning how to use computers and the internet. Some of the older members of his community have also taken an interest and come for lessons. Nermon can now send his four siblings to school and help his parents with their farm.

**All names have been changed*

LEBANON
Beirut Explosion

SOS Children's Villages has been active in Lebanon since the 1960s assisting children and families through the country's many upheavals. On the 4 August 2020, the country was once again shocked, this time by the Beirut Port explosion killing hundreds, injuring thousands and leaving many children and families homeless.

Lebanon had already been experiencing political and economic turmoil when disaster struck. The effect of the economic collapse and hyperinflation, along with the lack of accessibility to savings in banks, rising unemployment, and coronavirus lockdowns has devastated families, with even middle-income families struggling to meet their most basic needs. In addition, the pandemic has added an additional strain to an already stretched healthcare system.

In the immediate aftermath of the explosion, SOS teams on the ground provided urgent food, medical aid and shelter to vulnerable families supported by its fundraising efforts in the UK.

SOS continues to support families to pay for shelter, food, living expenses, school fees, laptops for distance learning, internet fees and medical expenses for injuries caused by the explosion, as well as supporting children in need of alternative care.

BRAZIL

The Lis Mosekilde Centre

'The Lis Mosekilde Centre' opened its doors in Araçoiaba, Brazil in December 2020, made possible by a generous £350,000 donation from Michael Hewitt in honour of his late wife, Professor Lis Mosekilde. The community and health centre, is affectionally known locally as the 'Lis Centre'.

Inspired by a mailing Lis received from SOS one Christmas, the couple chose to donate to Brazil and specifically to Araçoiaba because of the dire need in this rural community which suffers from a lack of access to quality nutrition, and little government support. The work of SOS in making home visits, checking vaccination cards, conducting health and wellbeing interviews, and creating individualised Family Development Plans has been instrumental in helping health professionals monitor and support local families during the coronavirus pandemic and resulting lockdowns.

With the onset of the pandemic, SOS Brazil quickly adapted its work and explored new ways to reach and work with families. Their online workshops have been very successful, enabling the creation of new tools to engage children and adolescents. Furthermore, using video calls and WhatsApp messaging has helped them monitor and support families, during periods when house visits were not possible. The local team learned to plan and create video content to be used for online activities and conduct community meetings using social media.

The Lis Centre aims to have a direct impact on the lives of 1,000 adults and 2,500 children over the next three years. By the end of 2020, 500 adults (90% female) and 550 children had already received health assistance, nutritional meals, education support, help with access to public services and advice on family development and employability. In addition, 120 home visits were made during lockdown to 92 families (approximately 460 people) to identify the main social and health needs in the community as well as to promote the Centre's services.

Amongst the children supported by the SOS team during the coronavirus lockdown and school closure, the team reached 250 through daily video activities and 150 through home visits and health assistance appointments.

In a very short time, the 'Lis Centre' has embedded itself firmly in the hearts of the Araçoiaba people. It has become known as a welcoming and safe place for people in need – and a fitting memorial to Professor Lis Mosekilde.

Professor Lis Mosekilde

KENYA

Hunger & COVID-19 prevention in the slums

For those living in Kenya's urban informal settlements, direct and indirect negative impacts of the pandemic and the resulting government policies have had a devastating consequence on livelihoods. As the virus continued to spread, popular measures such as curfews, lockdown, and working from home ignored the living and employment conditions of slum dwellers, many of whom were left to choose between life and livelihood.

For many in the slums, the choice was stark: soap to wash or bread to eat. SOS teams on the ground distributed groceries to families in the slums and paid residents to sew facemasks thereby providing an income for them in lockdown. In addition, they have helped families learn to make soap. With additional funds from our supporters, given in response to our emergency appeal, SOS Kenya also helped families with start-up loans and counselling to help them rebuild their lives.

GHANA

Family Strengthening Programme

At the height of the coronavirus pandemic in 2020, SOS Ghana initiated a solidarity fund that saw all 268 families in the Family Strengthening Programme, including vulnerable households in the community, receive assorted food items such as rice, maize, chocolate powder, sugar, 'garri' (a type of cassava) and tomato puree among many other items.

In addition, financial support was provided to 50 parents facing the most significant hardship to help them buy more food supplies for their families. 49 other caregivers received more grants to boost their businesses that had been weakened by the economic effects of the pandemic.

SOS teams carried out coronavirus health awareness campaigns through posters, radio engagements and community outreach and through the solidarity fund, 1,374 children and 318 parents received facemasks, and 370 bottles of sanitisers were distributed.

Furthermore, 15 families benefitted from e-learning tools to enable children to access teaching online. Whilst schools were closed, SOS educated 900 children in eight centres set up for homeschooling in five different communities.

Child **Safeguarding**

High standards of safeguarding are fundamental to our ability to support children to grow up feeling safe, loved and supported.

In 2020, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. In addition, we continue to promote our requirement that programme visitors, such as child sponsors, undertake a suitable background check and briefing prior to visiting a programme location.

Following on from two safeguarding incidents which were reported to us by the International Federation in 2019, relating to a programme funded by SOS Children's Villages UK in The Gambia and employees of SOS The Gambia, in 2020 the Board of Trustees reported to the Charity Commission under the Commission's serious incident reporting process. In response, the Charity Commission requested more information and over a period of two months, SOS UK worked with the regional office and location staff to answer the Charity Commission's questions. Within the SOS Federation, we shared this experience widely to ensure that, as a federation, we are able to provide regulatory bodies with sufficient answers, and that we are rigorous in the steps we take to document safe recruitment processes and strong child safeguarding measures. This was reported in the SOS Children's Villages International annual report on safeguarding which can be found at the link below.

SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America child safeguarding network to share learnings and best practice.

In 2020, 65,600 children were in the direct care of one of our sister SOS organisations, compared with 65,000 in 2019, and more than a million were taking part in programmes delivered as part of our community-based activities, including projects supporting children and families in emergency situations, outside our village communities. Many of the children and young people in these programmes have faced traumatic family environments and are therefore particularly vulnerable. The latest SOS Children's Villages International annual report on safeguarding can be found here:

www.soschildrensvillages.org.uk/child-safeguarding-report-2020

Achievement of objectives

We set ourselves the objectives for 2020 to:

- Respond to the immediate COVID-19 pandemic related needs of children, families and communities in our programmes, including the children and their families in the Chipata and Basse village locations by allocating at least £250,000 of funds to the global SOS Children's Villages appeal.

- Support the post pandemic recovery and resilience of more children and their families by providing mentoring, training and other forms of support, including children's access to online learning, through education, youth employability – and livelihoods programmes, and by supporting our emergency relief activities, such as the support provided to families in Beirut following the devastating explosion, reaching more people than in 2019.

- Advocate for funding and resources for education and employability training for young people as part of COVID-19 recovery and the UK's support for the Sustainable Development Goals with the aim of securing a funding commitment from the UK government.

- Invest in our fundraising operation and systems to broaden and grow our voluntary income; this also means we can secure the necessary resources to flexibly meet the needs of the children, families and communities we support through SOS programmes with the aim of increasing our unrestricted income to 40% of our total income.

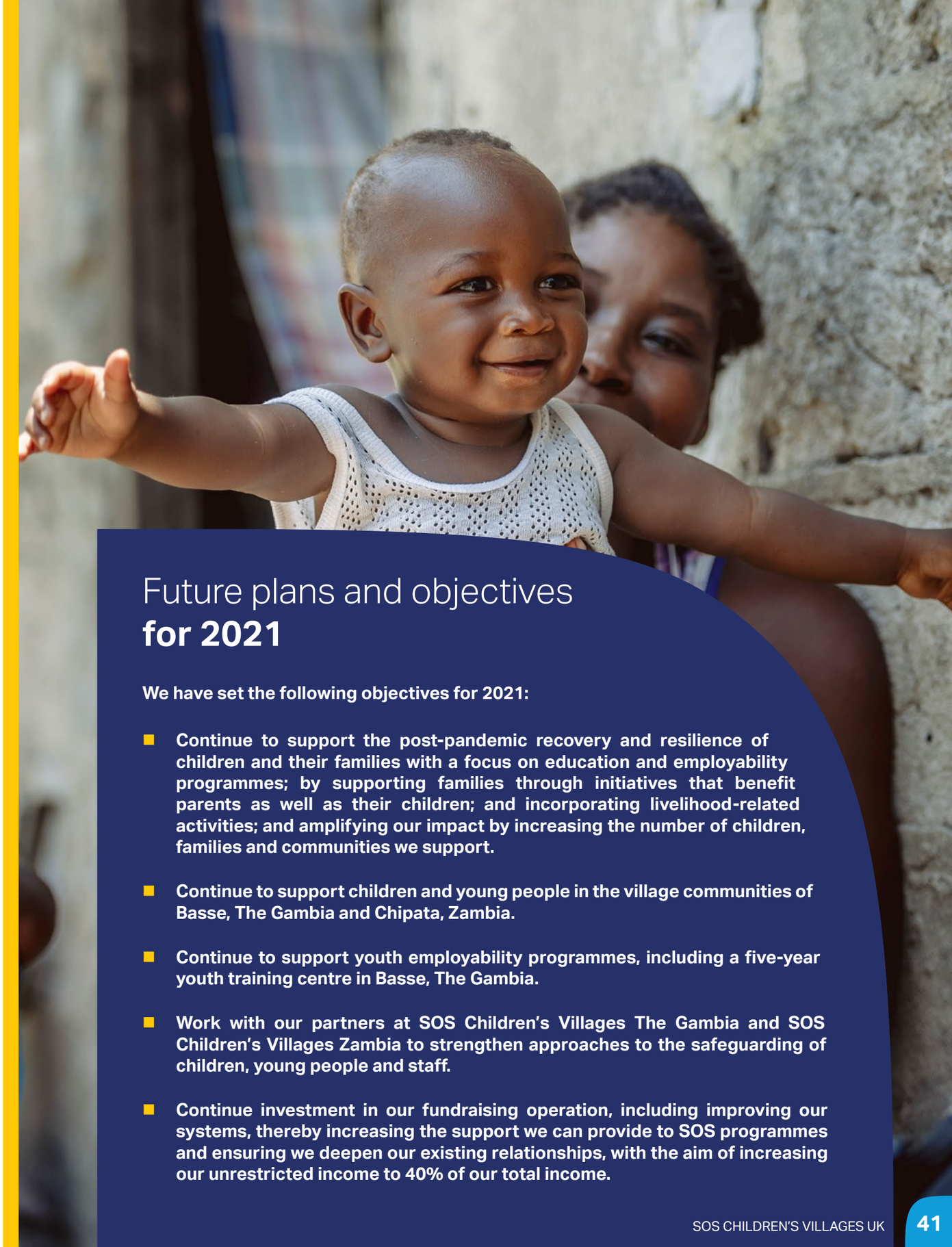
We contributed £47k to the emergency COVID-19 appeal and pledged a further £233k. Funding was allocated to nine countries. These funds have been used in 2021 by India, Philippines, Palestine, South Africa and Haiti to support COVID-19 relief measures, such as providing PPE equipment, hand sanitisers, food, safe water and other forms of direct support to vulnerable families in our community-based programmes and Children's Village communities, while ensuring children could access remote learning options and SOS programme staff were safe. Funding applications are expected in 2021 from Thailand, Malawi, Zimbabwe and Syria.

We were further able to support the first stages of pandemic recovery and resilience in SOS Children's Village Communities in Basse, The Gambia and Chipata, Zambia, directly benefiting 215 children. This, coupled with our outreach work in Basse and Chipata supporting vulnerable families and young people, directly supported 1,898 children and families. With the help of the PD Foundation and other donors, we were, in addition, able to launch a new Youth Employability Centre in Basse and continued to support the young people enrolled in this programme remotely following lockdown. Over a period of five years, we aim to support 1,000 young people through this programme, helping them to learn the skills to find employment, connect them with local businesses for apprenticeships or set up their own businesses. Please see pages 14-15 for further details.

When a large explosion took place in Beirut with devastating effects on the population, we were able to allocate £18k to provide support to children and families in urgent need of support.

With the outbreak of COVID-19 in the UK and the re-structuring of the Department for International Development to create the Foreign, Commonwealth and Development Office (FCDO), we decided to reduce our investment in advocacy and policy work in the face of significantly reduced government engagement with international development and humanitarian needs. We continued to support sector wide campaigns on the structure and resourcing for the new FCDO, including the campaign to restore the 0.7% of GDP target for international aid spending.

We began a process of strengthening our fundraising operations, aiming to increase our activities, broaden our donor reach and strengthen our systems to operate more efficiently. This included commencing the recruitment of fundraising staff in areas where we saw opportunities to grow income from the public, secure corporate partnerships and further develop relationships with grant making organisations, while raising awareness of SOS's work through improved digital channels. At the end of 2020, unrestricted income was 39% of our total income, slightly short of our target of 40%. This was in part due to additional restricted funds raised for two emergency appeals during the year for our responses to the COVID-19 pandemic and the Beirut explosion.



Future plans and objectives **for 2021**

We have set the following objectives for 2021:

- **Continue to support the post-pandemic recovery and resilience of children and their families with a focus on education and employability programmes; by supporting families through initiatives that benefit parents as well as their children; and incorporating livelihood-related activities; and amplifying our impact by increasing the number of children, families and communities we support.**
- **Continue to support children and young people in the village communities of Basse, The Gambia and Chipata, Zambia.**
- **Continue to support youth employability programmes, including a five-year youth training centre in Basse, The Gambia.**
- **Work with our partners at SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to the safeguarding of children, young people and staff.**
- **Continue investment in our fundraising operation, including improving our systems, thereby increasing the support we can provide to SOS programmes and ensuring we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.**

Thank You All

Canadian Affair / Air Transat

City Football Group

Deen Relief International

DeMellier

Denise Ballard

Esther Baroudy

From Babies with Love

Ian & Wendy Hutton

Lines & Current

M&G plc

Michael Hewitt & Professor Lis Mosekilde MD, D.Sc(Med)

Milton Damerel Trust

Mr and Mrs J Ardron

PD Foundation

Radisson Hotel Group

SOS Pakistan Supporters' Group UK

Subsea 7

We thank all of our supporters and partners, including those who wish to remain anonymous, for their generosity and commitment to our programmes. The kindness and support shown by supporters in what was an incredibly difficult year for everyone was truly inspiring and we are immensely grateful for it.

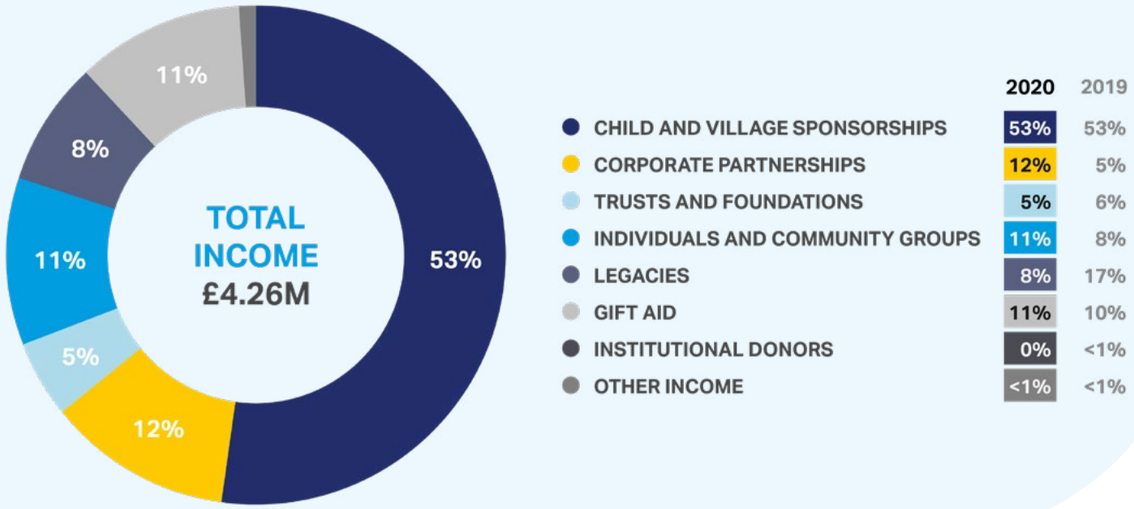
All donations help us make a difference and ensure that children everywhere can grow up feeling safe, loved and supported.

We also wish to extend a warm thank you to those who have raised awareness of our work and who have fundraised by taking part in challenges, quizzes – many of which took place online – and other activities.

We further want to remember and acknowledge all those far-sighted supporters who kindly left a gift to the work of SOS in their Will. Their legacy continues to make a lasting impact to the lives of children, their families and communities.

Thank you, all, for your kind support.

Financial Performance



INCOME

SOS Children's Village UK showed resilient performance in the face of the COVID-19 pandemic and was able to raise £4.26m in charitable income in 2020 compared to £4.56m in 2019, representing a 7% fall in income. As expected there has been a decrease in our income as corporate partners and individual donors experience the effects of the pandemic on their organisations, personal lives, and disposable income. The consistent supporter loyalty and generosity at a time where they themselves were going through difficult times resulted in lower-than-expected attrition levels.

Our main sources of funding came from grant funding, corporate partnerships, legacies, and donations from individual donors including child and village sponsorships which is the financial backbone of the Charity. The generous contributions of our supporters, continue to enable us to remain financially resilient as we invest in the future stability of the Charity and increase our reach and impact.

HOW WE RAISE MONEY

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this we work in close partnership to build the best possible relationships with our donors, supporters, grant making organisations and corporate partners, and with our SOS programme teams aiming for accountability and transparency in all that we do. Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018. In 2020, we have continued to ensure open dialogue and clear lines of communication with our donors. This has included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators. Our work is complex, and where we face challenges, we report these openly.

When supporting individual fundraisers, we provide them with an agreement making clear how they should promote their activity, how to fundraise effectively and without undue pressure, how the funds raised will be spent, and ensuring they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. They are given a named contact at SOS Children's Villages UK to support them and answer any questions. We regularly monitor and review activities undertaken in support of SOS Children's Villages UK, through supporter feedback, tracking online activity, prompt follow-up after fundraising activities have taken place and ongoing dialogue.

All fundraising staff receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate sponsors who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person's privacy or is unreasonably persistent in their actions so as to protect vulnerable people, as reflected in our written agreements with our partners.

Corporate sponsors include:

- Lines & Current donate 10% of profits to SOS Children's Villages UK every year, donated quarterly.
- DeMellier donate £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually.
- Humble Warrior donate 2% of its revenues annually. Donations are paid annually.
- Blue Cap Coffee donate 1% of retail sales annually. Donations are paid annually.

All partnerships are formalised with a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children's Villages UK is not aware of any complaints raised regarding any of the above activities.

All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice. SOS Children's Villages UK is not aware of any complaints raised regarding any employee fundraising activities.

As reported in last year's Annual Report, in 2019, our Board signed off on a new Ethical Partnerships Policy, which sets out the criteria determining whether we can accept donations. As part of the implementation process of this policy, we ended our relationship with two corporate partners as they did not meet these criteria. In 2020 we further developed our Ethical Partnership Policy to include reference to companies deriving more than 30% of their revenue or capital in the last fiscal year from producing video games not suitable below the age of 16 according to the Pan European Game Information (PEGI 16 and PEGI 18), including online games. Further information can be found on our website:
www.soschildrensvillages.org.uk/partner-with-us

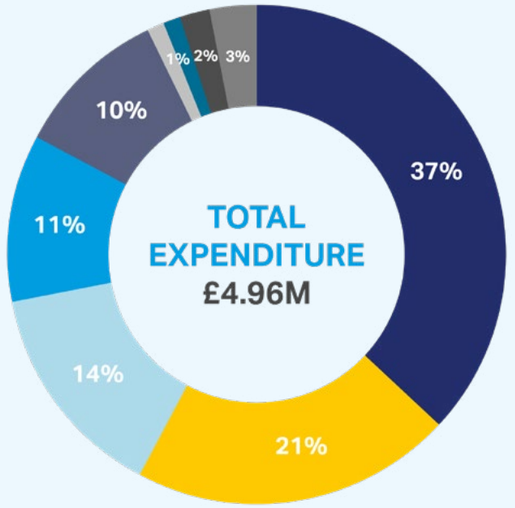
We received 100 complaints in 2020, showing an increase of 35 compared to the previous year. The great majority of these related to the quality of the content child sponsors received directly from our sister organisations in relation to individual sponsored children. One of our core values is that we are a learning organisation. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

Following the outbreak of the COVID-19 pandemic and subsequent lockdown in the UK in March 2020, we carefully examined the impact the global crisis was likely to have on our donors' ability to continue supporting us. As a result, we reviewed our fundraising activities and charitable income. We did not engage in public facing fundraising activities such as Face-to-Face or Door-to-Door at that time.

As part of our three-year strategy, we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of the evolving situation. We were overwhelmed by the understanding and reassuring messages received from our supporters, many of whom renewed their commitment to our work during the crisis, as shown in the donations received in response to our emergency appeal, launched in April 2020 in aid of SOS programmes that faced additional needs. The appeal raised £43k and, along with funds we had already received as part of other fundraising activities, we were able to allocate £233k to support activities in nine countries as part of SOS Children's Villages global COVID-19 response.

If you have any questions about any aspect of our fundraising, please don't hesitate to get in touch with Susanne Owers, Director of Fundraising, at
susanne.owers@sosuk.org

EXPENDITURE



	2020	2019
SUPPORTING CHILD AND VILLAGE COMMUNITIES	37%	38%
EDUCATION AND YOUTH EMPLOYABILITY	21%	12%
FAMILY STRENGTHENING	14%	11%
FUNDRAISING COSTS	11%	10%
SUPPORT COSTS (INCL. STAFF COSTS, ADMIN, COMMS, PREMISES AND IT)	10%	17%
RESPONDING TO EMERGENCIES	1%	2%
EXCEPTIONAL FUNDRAISING INVESTMENT	1%	6%
RAISING AWARENESS WITH POLICY MAKERS	2%	2%
GOVERNANCE COSTS	3%	2%

Expenditure in 2020 was £4.96m, a reduction of £93k/2% compared to £5.05m in 2019. Higher than anticipated sponsorship income raised during the year made it possible for transfers to be sent to over 100 countries including The Gambia and Zambia to support children as part of the village communities. However, in line with SOS Children's Villages 2030 strategy, which increasingly focuses on the prevention of situations in which children are at risk of losing parental care and the provision of long-term, sustainable solutions, we are working towards increasing our collaboration in family strengthening programmes and youth employability, while supporting children at risk through disasters and emergencies.

The ongoing cost of raising funds decreased by 6 % in the wake of COVID-19 as some fundraising activities were put on hold.

SOS Children's Villages UK recognised the need to expand its offer beyond child sponsorship to appeal to new audiences with differentiated propositions, with a focus on finding a new unrestricted regular giving product. In 2019 we launched a large-scale fundraising investment project to increase SOS UK's unrestricted income, as well as raising our UK brand profile and developing a clear articulation of the work we do and how we make a difference to children and families around the world. Funding for this investment has been secured from the combination of using our reserves and securing a 5-year grant of £1.56m from our fellow SOS Children's Village Federation member (HGFD) to achieve our ambitious income targets.

We have adopted a phased approach, initially focusing on defining our target audiences and proposition development, then testing this and ensuring our assumptions are validated, while ensuring our narrative is authentic and supported by those who

deliver and benefit from our programmes. These steps have informed and shaped the test campaign phase, which focuses on widening the support from individual donors through a new, lower cost, unrestricted proposition. However, once the full impact of COVID-19 was known we felt that in the short-term this was not an appropriate nor viable time to be trialling a new proposition and we temporarily put the test on hold. This work will resume at the beginning of the next financial year, to be delivered in the first half of 2021. Using widely available industry information on recruitment and attrition levels, we anticipate the test campaign for proposition testing would return an increase to our unrestricted income of £205k by the end of 2021 (revised downward from £232k because of the unpredictable fundraising conditions during this pandemic).

RESERVES

SOS Children's Villages UK has in the past experienced fluctuations in our income stream and with the impact of the pandemic unfolding these have the potential to be more volatile in the coming years. The Board of Trustees have therefore decided that the Charity should continue to maintain cash and readily realisable assets sufficient to fund between not less than 9 and not more than 12 months of running cost, at all times. In 2020 this equated to £1.5m - £2.0m, and as at 31 December 2020, this stood at £1.61m, equivalent to approximately 10 months' cover as required by the Board.

The Charity continues to maintain two designated funds which were created, at the discretion of the Trustees. The first fund is to support the proposed investment in our fundraising strategy from 2019, and the second fund is to protect against any potential foreign exchange loss. A small balance of £25k remains on the fund for investment in our fundraising strategy due to delays in launching the testing phase, compared to the 2019 balance of £61k. The provision for potential foreign exchange loss has been maintained at 5% of the annual value of our international transfers.

INVESTMENTS

Investments are overseen by the Finance & Audit Committee. Professional Fund Managers have been appointed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

The Charity has two portfolios: an equity growth portfolio, and a short-dated corporate bond portfolio. In the first quarter of 2020 the global stock markets reacted to the COVID-19 pandemic with volatility and large drops in the value of investments. The value of the Charity's investments has also reduced during this period as a result. The Charibond units were protected from this as they are predominantly comprised of government and corporate bonds. The Equities Investment Fund for Charities (Charifund) is made up of stock market investments, including some heavily impacted industries, and the value of these dropped significantly in March 2020 but by the end of December had nearly regained their value.

The total investment as at 31 December 2020 valued at £1,210k has not only regained value but was now £189k/18% higher than the previous year. At the end of 2019 the value was £1,021k for the same level of investment, £750k in Charifunds and £250k in Charibonds. Nevertheless, an unrealised loss of £114k was recorded in 2020.

EMPLOYEES & VOLUNTEERS

Information about our aims, activities and other relevant information is disseminated to all staff and volunteers through briefings, meetings and written documents. The Charity consults with all staff on key issues through regular team meetings and planning sessions.

SOS Children's Villages UK is committed to being a diverse and inclusive charity. The Charity aims to demonstrate support for all its employees and volunteers, valuing each individual's contribution regardless of age, gender identity, sexual orientation, marital status, civil partnership status, disability, nationality, race, religion or belief. We are committed to providing equal opportunities for all employees and volunteers.

We will continue to support flexible working wherever possible, and we will make further investments in IT to support this.

Appropriate arrangements have been made for the recruitment, continued employment and training, career development and promotion of people with disabilities employed by the Charity. Should any staff become disabled, every effort is made to continue their employment and, where necessary, to provide reasonable adjustments and support.

There is a pension scheme available to employees.

Risk Management & Internal Controls

The Charity operates a comprehensive annual planning and budgeting process, which is approved by the Trustees. Performance is monitored through the use of financial targets and other key performance indicators. Reports are made to the Trustees which compare actual results against the phased budget and which link financial and other performance with resource and activity levels.

As part of their audit of the financial statements, the Charity's Auditors review the internal controls. SOS Children's Villages UK does not have dedicated internal auditors.

The Senior Management Team identify and analyse risks relevant to their scope of activities, assess them according to the impact on the Charity and their likelihood of occurrence and report on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

Significant risks are highlighted for consideration and monitoring by the Finance & Audit Committee and reported to the Board of Trustees. All major risks to which SOS Children's Villages UK is exposed, which have been identified by these procedures, have been reviewed and updated, particularly in light of the COVID-19 crisis. Below is a list of six major risks the Trustees have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
Impact of global pandemic on cash flow, income and expenditure	▪ Increased communication with donors to keep them informed about and connected to their sponsored children and/or projects. ▪ Launched COVID-19 emergency appeal. ▪ More frequent Finance & Audit Committee meetings during initial lockdown period. ▪ Cash flow and income models produced for a variety of scenarios. ▪ Opportunities to reduce operating costs identified. ▪ Moved to smaller and less expensive registered office.
Failure to meet income targets	▪ Monthly management accounts reporting to SMT to identify challenges and take mitigating actions. ▪ Ongoing cash flow monitoring. ▪ Quarterly reporting to the Board of Trustees, including income and reserves projections. ▪ Investment in fundraising strategy to grow charitable income and spread risk and return across donor segments.
Reputational risk arising from the actions or omissions of other SOS Member Associations or the General Secretariat	▪ Maintain close working relationship with General Secretariat Communications Team. ▪ Contribute to Secretariat Crisis Communications Planning. Establish and maintain good working relationships with key media outlets. ▪ Develop staff understanding of SOS work, strengths and challenges. ▪ Crisis Communications process rolled out to staff.
Short term changes to programming and priorities within the Federation impacting on funding relationships	▪ Establish and maintain good working relationships with Federation Regional offices. ▪ Establish and maintain good working relationships with National Association Directors and Project Managers. ▪ Contribute to Federation discussions on programming and priorities. ▪ Keep donors informed.
Breach of legal and compliance obligations	▪ Strong control procedures in place for approving financial transactions, GDPR, Health and Safety. ▪ Annual external audit. ▪ Regular Finance & Audit Committee meetings reporting to the Board of Trustees. ▪ Expert staff in post, subject to regular review. ▪ GDPR and Child Safeguarding focal point on the Board. ▪ Legal advisers in place.
Child or vulnerable person safeguarding incident	▪ Child and Vulnerable People Safeguarding Policy in place and implemented. ▪ Safeguarding Focal Point on the Board. ▪ Staff and Trustee training.

Structure, Governance & Management

CHARITABLE OBJECTS

The objects of the Charity are set out in the Articles of Association, which were revised and agreed by the Board of Trustees in December 2017. In summary, these are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by the establishment and maintenance throughout the world of SOS Children's Villages and the education of children and young persons from SOS Children's Villages.

In 2020, SOS Children's Villages UK supported 5,229 children and 301 Children's Villages in which children without parental care live through a sponsorship programme funded by 7,805 supporters. In 2019, the figures were 4,886 children and 280 villages funded by 8,687 supporters. We did not actively promote sponsorship in 2020, and therefore had fewer supporters sponsoring than in previous years.

The children have access to quality education from kindergarten to secondary level in schools that are also open to the local community, thereby ensuring integration with their peers. Healthcare needs are either met within the village or are accessed by carers on their behalf within the community, where village facilities do not exist.

We have a relationship with villages in Basse in The Gambia, and Chipata in Zambia where we have committed to supporting the outcomes for children in those locations over the long term.

By growing up in our village communities where they are able to feel safe, loved and supported, children build their own strength and resilience and go on to support their own loving family in the future. In turn, this creates more sustainable and resilient communities in the future.

FEDERATION

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on to help shape and implement the global strategy of the Federation. We support the development of two members, SOS The Gambia and SOS Zambia, through our fundraising for the programme activities they deliver and by building their capacity for programme delivery and monitoring.

Membership of the Federation binds us to common standards of conduct, child safeguarding, transparency and governance. These are further enhanced by us to ensure compliance with our regulatory requirements and best practice.

BOARD OF TRUSTEES

SOS Children's Villages UK is governed by a Board of Trustees, made up currently of eight members, who are legally responsible for directing the affairs of the Charity. The Trustees have full legal responsibility for the actions of SOS Children's Villages UK. They are also the directors of the company for the purposes of the Companies Act 2006.

Under the Charity's Articles of Association, new Trustees are appointed for a term of up to five years and may be reappointed for one further term of three years. Trustees are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background.

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board of Trustees delegates day-to-day management of the Charity through the Chief Executive to the Senior Management Team (SMT). The Board of Trustees also delegates specific responsibilities to its sub-committees:

- The Finance & Audit Committee meets at least four times a year to review the Charity's annual financial statements, internal financial control and risk management systems and external and internal audit matters.

- A Human Resources Committee has been established in 2021 with the aim of overseeing the Charity's people management policies and best practice implementation. The Human Resources Committee will also lead the search and selection process for a new Chair. It meets four times a year and on an ad hoc basis as required.

The Trustees do not receive any remuneration for their services. The members of the company comprise all of the Trustees.

The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. In 2019 the Board undertook a review of its effectiveness using the Code as the basis for evaluation. In 2020 two new Trustees were appointed bringing programme development and governance experience, respectively, so as to expand the skill set and expertise of the Board

to better support the organisation's strategy for sustainability. After a competitive tendering process, an external recruitment agency has been appointed in 2021 to conduct the search process for a new Chair of the Board who will take over from Michael Brewer during the year.

Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role.

Remuneration for the Senior Management Team is set by the Chief Executive Officer, in accordance with the Pay Policy agreed by the Board of Trustees.

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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 2019).

PUBLIC BENEFIT

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

SOS Children's Villages UK fulfils the public benefit by the relief of poverty, and improvement of poor education and health outcomes for children and their families. Details about the specific programmes pursued can be found earlier in this report.

POLICIES AND PROCEDURES FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trustee induction and training programme is comprised of a variety of activities spread over a period of time, including:

- meetings and introductions to other Trustees, employees and beneficiaries
- invitations to events, meetings and presentations
- a Trustee induction pack
- access to relevant training through National Council for Voluntary Organisations (NCVO).

PRESIDENT

Dame Mary Richardson DBE

BOARD OF TRUSTEES

CHAIRPERSON

Mary Cockcroft, retired 13 December 2020

Michael Brewer, appointed interim Chair 13 December 2020

TREASURER

Matthew de Villiers

BOARD MEMBERS

Earl of St Andrews, George Philip Nicholas Windsor, retired 26 June 2020

Graham Budd

Don Haszczyn

Nicola Robert

Ian Briggs

Solava Ibrahim, appointed 8 July 2020

Susie Hargreaves, appointed 8 July 2020

COMPANY SECRETARY

Clare Jenkins, resigned 12 February 2021

Begay Jabang, appointed 7th April 2021

CHIEF EXECUTIVE OFFICER

Alison Wallace

SENIOR MANAGEMENT TEAM

Susanne Owers, Director of Fundraising

Clare Jenkins, Director of Finance and IT, resigned 12 February 2021

Catherine Weston, Director of Communications and Brand

Craig Mullaly, Director of Individual Giving

Begay Jabang, Director of Finance and IT, appointed 11 January 2021

DISCLOSURE OF INFORMATION TO AUDITORS

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.

Company Registered No. 03346676
Charity Registered No. 1069204

ORGANISATIONAL DETAILS

Registered office:
Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent Auditors:
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Principal Bankers:
Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:
Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Trustees' Responsibilities

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Charity. In preparing the financial statements, the Board of Trustees is 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 assume that the Charity will continue its activities
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These must be sufficient to show and explain the Charity's transactions. They should disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that its financial statements comply with the Companies Act 2006. The Trustees have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity, and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware;

- there is no relevant audit information of which the charitable company's Auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 7 July 2021. Signed on its behalf on 7 July 2021 by:

Michael Brewer
Interim Chair of Trustees SOS Children's Villages UK

Independent Auditor's Report
to the Members and Trustees of SOS Children's Villages UK

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'Charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, 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 Charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 Trustees' 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 Charity'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 other information comprises the information included in the Trustees' annual report, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 course of 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 the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in Trustees' report.

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

- adequate and proper accounting records have not been kept for the charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 Charity'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 Charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Charity and how it operates and considered the risk of the Charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the Charity this included employment law, financial reporting and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting.
- We have reviewed any correspondence with the Charity Commision and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

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.

HJWilkinson

Helena Wilkinson BSc FCA DChA
(Senior Statutory Auditor)

for and on behalf of

PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 25 August 2021

Financial Statements

Statement of Financial Activities
(including Income and Expenditure account)
For the year ended 31 December 2020

	Note	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME					
Donations and legacies	2	2,586,889	1,655,601	**4,242,490**	4,540,902
Other trading activities	3	-	-	**-**	1,067
Other income	3	-	17,512	**17,512**	-
Investments	4	-	5,004	**5,004**	16,000
TOTAL INCOME		2,586,889	1,678,117	**4,265,006**	4,557,969
EXPENDITURE					
Raising funds	5	-	1,068,287	**1,068,287**	1,413,904
Charitable activities	5	3,082,010	807,646	**3,889,656**	3,637,348
TOTAL EXPENDITURE		3,082,010	1,875,933	**4,957,943**	5,051,252
Net gains/(losses) on investments		-	(114,770)	**(114,770)**	188,798
NET MOVEMENT IN FUNDS		(495,121)	(312,586)	**(807,706)**	(304,485)
Reconciliation of funds: Total funds at 1 January 2020	14	1,337,611	2,153,901	**3,491,512**	3,795,997
TOTAL FUNDS AT 31 DECEMBER 2020	14	842,490	1,841,315	**2,683,806**	3,491,512

All activities relate to continuing operations.

The notes on pages 67-85 form part of these financial statements.

Balance Sheet
as at 31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	10	**20,737**	9,622
Investments & long term deposits	11	**1,097,793**	1,212,563
TOTAL FIXED ASSETS		**1,118,530**	1,222,185
CURRENT ASSETS			
Debtors	12	**865,018**	1,106,876
Cash at bank and in hand		**1,961,016**	2,476,974
TOTAL CURRENT ASSETS		**2,826,034**	3,583,850
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	**(1,260,758)**	(1,314,523)
NET CURRENT ASSETS		**1,565,276**	2,269,327
TOTAL NET ASSETS		**2,683,806**	3,491,512
FUNDS OF THE CHARITY			
Restricted income funds	14	**842,490**	1,337,611
Unrestricted income funds	14	**1,841,315**	2,153,901
TOTAL CHARITY FUNDS		**2,683,806**	3,491,512

The attached notes on pages 67-85 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 7 July 2021 and signed on their behalf by:

Michael Brewer
Interim Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

Statement of Cash Flows
For the year ended 31 December 2020

	Total 2020 £	Total 2019 £
Net expenditure for the year (as per the Statement of Financial Activities)	**(807,706)**	(304,485)
Adjustment for:		
Depreciation charges	**6,114**	4,211
Donated assets	**5,750**	-
(Gain)/Loss on fixed assets disposals	**2,003**	-
(Gain)/Loss on investments	**114,770**	(188,798)
Donated investment	**0**	(2,310)
Dividends, interest and rents from investments	**(5,004)**	(16,000)
(Increase)/Decrease in debtors	**241,858**	(331,892)
(Decrease)/Increase in creditors	**(53,765)**	(836,114)
Net cash provided by / (used in) Operating Activities	**(495,982)**	(1,675,388)
Net cash provided by (used in) Operating Activities	**(495,982)**	(1,675,388)
Cash Flows from Investing Activities		
Dividends, interest and rents from investments	**5,004**	16,000
Purchase of Fixed Assets - Tangible	**(13,481)**	(4,741)
Net cash provided by / (used in) Investing Activities	**(8,477)**	11,259
Change in cash and cash equivalents in the year	**(515,958)**	(1,664,129)
Cash and cash equivalents brought forward	**2,476,974**	4,141,103
Cash and cash equivalents carried forward	**1,961,016**	2,476,974

The notes on pages 67-85 form part of these accounts.

Notes to the Financial Statements
For the year ended 31 December 2020

SOS Children's Villages UK is incorporated in the United Kingdom, company number 03346676 and is a registered charity in England, Wales and Scotland. SOS Children's Villages UK registered office and operational address was SOS Children's Villages UK, Terrington House, 14-15 Hills Road, Cambridge, CB2 1NL until 22 April 2020. New premises have been leased at Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB which was the operational address for most of the 2020 financial year onwards for 5 years.

1. Accounting policies

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

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

Basis of consolidation

The financial statements were not consolidated with the Charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 19. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

Public benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102. and information contained in the Charity Commission's general guidance on public benefit was referred to when reviewing SOS Children's Villages UK aims and objectives, as well as in preparing planning activities, implementing policies and setting priorities for the upcoming year.

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, 2021, and the impact of COVID-19, in particular, significant scenario analysis and cashflow forecasting covering not only 2021 but also 2022 has been undertaken and whilst it is anticipated that income is likely to reduce, additional mitigation measures have been introduced to minimise the effect on the longer-term solvency of the Charity.

1. Accounting policies (continued)

1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 8 members of the company being the Trustees named on page 55. The registered office address is also shown on page 55.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the particular purposes they have been raised by the Charity. The costs of raising and administering such funds are charged against the specific fund. An analysis of the movements on restricted funds is set out in Note 14.

Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and a contingency fund for other unidentified operational issues.

2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:

a. Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income.

b. Foreign Exchange Reserves: For possible exposure to foreign exchange fluctuations arising from the transfer of funds to our SOS implementing member associations.

The Trustees anticipate the designated reserves to be fully utilised over the coming next three years.

An analysis of the movements on unrestricted funds is set out in Note 14.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The value of services donated are included at a value equivalent to that which the Charity would ordinarily incur on these services. The value of these in 2020 was Nil. Donated assets are capitalised at a value equivalent to market value at the date of donation. The value of these in 2020 was £5,257.

Interest earned and income tax recoverable on these funds are treated as unrestricted income unless otherwise specified by the donor.

Grants are included as incoming resources when these are received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Direct charitable expenditure includes sponsorship income which is remitted to SOS Kinderdorf International in Austria in equal monthly instalments.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Support costs are allocated between raising funds and charitable activities based upon staff time.

Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include the audit fees and costs linked to the strategic management of the Charity.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation; Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings: 20% Reducing Balance
Computer Equipment: 33.3% Straight Line

1. Accounting policies (continued)

1.7 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the SOFA.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.9 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

1.11 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.12 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 PENSIONS

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

1.15 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, at the bid rate. All other assets and liabilities are recorded at cost which is their fair value.

1.16 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities (2020: Nil). Income Tax incurred by deduction is reclaimed in full from the HMRC.

SOS Children's Villages UK is registered for VAT.

1.17 JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in Note (2) and accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

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

In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

Note 2 Income from donations and legacies - Current Year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Gifts and donations	2,520,922	915,475	**3,436,397**
Legacies	50,000	287,419	**337,419**
Income tax recoverable	15,967	452,707	**468,674**
Total donations and legacies	2,586,889	1,655,601	**4,242,490**

Income from donations and legacies - Prior Year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Gifts and donations	2,361,712	922,387	3,284,099
Legacies	440,622	338,885	779,507
Income tax recoverable	5,367	471,929	477,296
Total donations and legacies	2,807,701	1,733,201	4,540,902

Note 3 Other trading activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other trading activities	0	0	**0**	**1,067**

In 2019, of the total fundraising income, £1,067 was income from unrestricted funds and £NIL was income from restricted funds.

Other Income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other Income	0	0	**17,512**	**0**

Other income relates to furlough income for one staff member due to the COVID 19 Pandemic in 2020 following the reduction of marketing activity.

Note 4 Investment Income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receiveable	0	4,916	**4,916**	15,960
Dividends receivable	0	88	**88**	40
Investments	-	5,004	**5,004**	16,000

In 2019, of the total investment income, £16,000 was income from unrestricted funds and £NIL was income from restricted funds.

Note 5 Analysis of Expenditure - 2020

	Activities directly undertaken 2020 £	Support costs 2020 £	Total 2020 £
Cost of raising funds:			
Costs of raising donation income	536,117	496,124	**1,032,241**
Exceptional investment in fundraising strategy	36,046	-	**36,046**
Total cost of raising funds	**572,163**	**496,124**	**1,068,287**
Charitable activities:			
Supporting children and village communities	1,777,768	220,000	**1,997,768**
Family strengthening	648,034	80,195	**728,229**
Education and youth employability	987,881	122,252	**1,110,133**
Responding to emergencies	50,144	6,205	**56,350**
Raising awareness with policy makers	85,618	10,595	**96,214**
Total Charitable Activities before exchange movements	**3,549,445**	**439,248**	**3,988,693**
Exchange gain		(99,037)	**(99,037)**
Total Charitable Activities after exchange movements	**3,549,445**	**340,211**	**3,889,656**
Total Expenditure	**4,121,608**	**836,335**	**4,957,943**

Refer to note 6 for a further breakdown of Support Costs.

Analysis of Expenditure - 2019

	Activities directly undertaken 2019 £	Support costs 2019 £	Total 2019 £
Cost of raising funds:			
Costs of raising donation income	500,562	573,968	1,074,530
Exceptional investment in fundraising strategy	339,374	-	339,374
Total cost of raising funds	839,936	573,968	1,413,904
Charitable activities:			
Supporting children and village communities	1,938,286	288,952	2,227,238
Family strengthening	552,595	82,379	634,974
Education and youth employability	593,630	88,496	682,126
Responding to emergencies	91,149	13,588	104,737
Raising awareness with policy makers	81,010	12,077	93,087
Total Charitable Activities before exchange movements	3,256,670	485,492	3,742,162
Exchange gain		(104,814)	(104,814)
Total Charitable Activities after exchange movements	3,256,670	380,678	3,637,348
Total Expenditure	4,096,606	954,646	5,051,252

Note 6 Support costs - 2020

	Raising funds 2020 £	Charitable activiites 2020 £	Total funds 2020 £
Personnel costs	165,529	88,961	**254,490**
Premises costs	59,818	39,879	**99,697**
IT & website costs	17,758	11,839	**29,597**
Other support costs	253,021	168,679	**421,700**
Governance (note 7)	-	129,891	**129,891**
Total	496,126	439,248	**935,374**

Support costs - 2019

	Raising funds 2019 £	Charitable activiites 2019 £	Total funds 2019 £
Personnel costs	156,620	104,413	261,033
Premises costs	139,839	93,226	233,065
IT & website costs	13,293	8,862	22,155
Other support costs	264,216	176,143	440,359
Governance (note 7)	-	102,848	102,848
Total	573,968	485,492	1,059,460

Note 7 Governance - 2020

	Raising funds £	Charitable activiites £	Total funds £
Audit fees	-	11,970	**11,970**
Training	-	-	**-**
Staff costs in relation to Governance	-	117,921	**117,921**
Total	-	129,891	**129,891**

Governance - 2019

	Raising funds £	Charitable activiites £	Total funds £
Audit fees	-	11,130	11,130
Training	-	1,707	1,707
Staff costs in relation to Governance	-	90,011	90,011
Total	-	102,848	102,848

Note 8 Net expenditure / (income)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets owned by the Charity	**6,114**	4,211
Loss on the disposal of fixed assets	**1,578**	-
Auditors' remuneration	**11,970**	11,130
Auditors' remuneration - non-audit	**0**	0
Operating lease payments	**85,291**	190,777
Pension	**36,624**	33,153
Foreign exchange (gain) / loss	**(99,037)**	(104,814)

Note 9 Staff costs

	2020 £	2019 £
Wages and salaries	**835,608**	788,266
National Insurance costs	**79,082**	81,907
Pensions and other costs	**36,624**	33,153
Total	**951,315**	903,326

Included within wages and salaries is severance payment of £3,000 made to one employee as approved by the SMT (2019: £0).

Average number of staff employed

The average monthly number of employees during the year was as follows:

	2020	2019
Fundraising	**11**	11
Communications	**5**	6
Finance / IT & Admin	**6**	7
Total	**22**	23

The key management personnel of the Charity comprise of the Trustees and 4 others (2019: 4) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising and the Director of Communications. No Trustees received any remuneration or benefits in kind from the Charity (2019 - none). The total employee benefits of the key management personnel of the Charity were £416,204 (2019 - £305,224).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2020	2019
In the band £60,000 - £70,000	**1**	1
In the band £70,001 - £80,000	**1**	1
In the band £80,001 - £90,000	**-**	-
In the band £90,001 - £100,000	**1**	1

Total employers pension contributions in relation to the above higher paid employees was £10,658 (2019: £10,462).

Note 10 Tangible fixed assets

	Telephone System £	Fixtures & fittings £	Computer Equipment £	Total £	2019 Total £
COST:					
At 1 January 2020	7,718	40,295	104,244	**152,257**	147,516
Additions	0	8,797	10,434	**19,231**	4,741
Disposals	(7,718)	(37,153)	(4,236)	**(49,107)**	-
At 31 December 2020	0	11,939	110,442	**122,381**	152,257
DEPRECIATION:					
At 1 January 2020	7,718	37,962	96,918	**142,598**	138,424
Charge for the year	-	1,044	5,106	**6,150**	4,211
Disposals	(7,718)	(35,150)	(4,236)	**(47,104)**	-
At 31 December 2020	0	3,856	97,788	**101,644**	142,635
Net book value:					
At 31 December 2020	0	8,083	12,654	**20,737**	9,622
At 31 December 2019	0	2,333	7,327	**9,622**	9,091

Note 11 Fixed asset investments

	Listed investments 2020 £	Listed investments 2019 £
MARKET VALUE:		
At 1 January	**1,212,563**	1,021,455
Additions	**0**	2,310
Unrealised gain or (loss) on investments	**(114,770)**	188,798
At 31 December	**1,097,793**	1,212,563
Comprising of:		
Fixed interest	**259,391**	250,392
Equities	**838,402**	962,171
Total market value	**1,097,793**	1,212,563
Total historical cost of investment	**1,000,000**	1,000,000

Note 12 Debtors

	2020 £	2019 £
Other debtors	**142,669**	36,324
Prepayments and accrued income	**647,778**	1,031,808
Tax recoverable	**74,571**	38,744
Total	**865,018**	1,106,876

Note 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	**15,086**	13,065
Other taxation and social security	**27,102**	34,692
Other creditors	**10,918**	7,255
Accruals	**1,207,652**	1,259,511
Total	**1,260,758**	1,314,523

Note 14 Statement of funds

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,943,275	1,678,117	1,839,888	(55,584)	(114,770)	1,611,150
Designated funds:						
Fundraising research & investment reserve	60,626	0	36,046	0	0	24,580
Foreign exchange reserve	150,000	0	0	55,584	0	205,584
	2,153,901	**1,678,117**	**1,875,934**	**-**	**(114,770)**	**1,841,315**
RESTRICTED FUNDS						
Philippines	80,451	0	0	(80,451)	0	- 0
Zambia	38,586	29,468	28,956	0	0	39,098
Gambia - The European Union	0	0	0	0	0	0
YEP Project, Basse	41,372	108,998	80,328	0	0	70,042
Bolivia, La Paz	429,441	0	429,441	0	0	0
Sponsorship fund	34,163	1,914,543	1,917,815	0	48	30,939
Africa - general	322,968	0	47,370	0	(40,022)	235,576
Other projects <£50k	390,630	486,752	563,100	(152,232)	39,974	202,024
COVID 19 Appeal	0	47,128	15,000	232,683	0	264,811
	1,337,611	**2,586,889**	**3,082,010**	**0**	**0**	**842,490**
Total funds	**3,491,512**	**4,265,006**	**4,957,944**	**-**	**114,770**	**2,683,806**

Each restricted fund has arisen in line with specific restrictions placed by the donor. The majority of restricted funds relate to specific SOS Villages and Projects overseas, such that funds are only used in connection with the donors' specified village and projects. During the year Trustees agreed to reallocate old restricted fund balances for emergency COVID-19 support. The restricted funds will still be utilised within the same countries orginally specified by the donors.

Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	20,737	**20,737**
Investments	-	1,097,793	**1,097,793**
Current assets	842,490	1,983,544	**2,826,034**
Creditors due within one year	-	(1,260,758)	**(1,260,758)**
	842,490	1,841,316	**2,683,806**

Analysis of net assets between funds - Prior Year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	9,622	9,622
Investments	-	1,212,563	1,212,563
Current assets	1,337,611	2,246,239	3,583,850
Creditors due within one year	-	(1,314,523)	(1,314,523)
	1,337,611	2,153,901	3,491,512

Note 16 Analysis of changes in net debt

	Balance brought forward 01/01/2020 £	Cashflow £	Balance carried forward 31/12/2020 £
Cash in hand	**2,476,974**	**(515,958)**	**1,961,016**

Note 17 Operating lease commitments

At 31 December 2020 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2020 £	2019 £	2020 £	2019 £
Expiry Date:				
Within 1 year	**42,000**	48,000	**3,467**	3,467
Between 2 and 5 years	**147,000**	0	**1,359**	4,826
After more than 5 years	**0**	0	**0**	0
Total	**189,000**	**48,000**	**4,826**	**8,293**

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

Note 18 Related party transactions

At 31 December 2020 the Charity held all 100 ordinary shares of £1 each in the wholly owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom, although these were written down to nil value in the 2002 accounts. The company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £27,868 (2019 £38,911) was received from a Pakistan Support Group. A Khan, who resigned from her position as a Trustee of SOS Children's Villages UK during 2019 is a bank signatory of the Pakistan Support Group.

Hong Kong Friends of SOS Children Limited is a branch of SOS Children's Villages UK and not consolidated on the basis of materiality. During the year under review Hong Kong Friends of SOS Children Limited had a turnover of £2,212 (2019 £5,321) and a net deficit of £3,149 (2019 net surplus £1,911).

There are no other related party transactions.

Note 19 Trustee expenses

The Trustees did not receive any remuneration neither did they make any claim for the reimbusrments of expenses during the year (2019: Nil).

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