

**Save the Children
International**

Trustees' report,
strategic report and
financial statements for

2020



Contents

3	Reflections from the Chair of the Board
4	Letter from the CEO
5	Who we are
6	Our impact
10	Our Global Strategy: Ambition for Children 2030
15	Risk management and internal control
20	Our people
23	Carbon and energy data
24	Financial performance
27	Structure, governance and management
30	Administrative details
31	Independent auditor's report to the members of Save the Children International
35	Financial statements

Save the Children International Trustees' report, strategic report and financial statements for 2020

The Save the Children International Board of trustees (herein referred to as the 'trustees') are pleased to present their annual report, strategic report and the audited consolidated financial statements of Save the Children International and its trading subsidiaries for the year ended 31 December 2020.

Reflections from the Chair of the Board

2020 was a year like no other, a year when COVID-19 fundamentally changed everything for children. For the vast majority, those changes have had dire consequences on their education, health, and well-being. The pandemic has set back decades of progress made towards the Sustainable Development Goals (SDGs) and our 2030 ambitions for children, and it is the most vulnerable children who will feel this impact – refugees, displaced children, street children, girls, and children with disabilities.

Under the leadership of our CEO Inger Ashing, our teams rapidly responded, with creativity and innovation, to adapt our programmes, advocacy and campaigns so that we continue delivering life-changing work for children during the pandemic. We prioritised children's education with distance learning, and continued delivering our child protection services, which became even more essential as other safety nets were less available. We helped households access safe water and handwashing facilities, while raising awareness of the risks of COVID-19, and provided struggling households with cash and/or voucher transfers. As a result, in 2020 we reached 29.5 million children and adults in 87 countries with our vital services and support.


Nevertheless, we are still in the midst of the biggest humanitarian crisis of our generation, with children most likely to experience its lasting effects. Our founder Eglantyne Jebb was facing a similar post-war crisis, when she created Save the Children over 100 years ago. While the context we work in has changed, we must continue to focus on reaching the most marginalised and deprived so that all children can survive, learn, and be protected.

Joining Save the Children as the new Chair of the Board in January 2021, I am passionately committed to helping lead Save the Children International and Save the Children members through the transformational changes that we urgently need to make, in order to face the challenges of our current external environment. Together as a movement, we will leverage the strength and expertise that our 100-year history brings, while simplifying and sharpening our focus on where we will have the greatest impact for children, at a time when they need us the most.

In 2021, we will develop our three-year global strategy that will transform our organisation and enable us to keep pace with the magnitude of external changes we are facing and serve the children and communities who depend on us. We see a need to be data-driven, to demonstrate where we are improving children's lives and opportunities, to what extent and how we can improve. Technology will be our great enabler as we seize opportunities to maximise our efficiency in our services and processes.

We will work towards shifting the power and resources within the humanitarian system to enable the greatest impact for children, supporting local and national responders, while thinking 'as local as possible, as international as necessary'. We will also look to partner more throughout our different areas of work, ensuring we work with others to leverage our expertise and scale our impact.

I would like to thank Robert Good for his commitment and work as interim Board Chair between June 2019 and January 2021. I am very honored to be a part of Save the Children and look forward to our journey ahead. Together, we will stay focused on our united purpose – children – and on our ability to lead, adapt and continue to build a Save the Children that we are all proud to be a part of.



Angela Ahrendts DBE
Chair of the Board of Trustees

Letter from the CEO

COVID-19 has had an impact on every child and community in the world, and its effects will be felt for years to come and the world's children will bear the brunt of this. Over the last year, Save the Children has been working tirelessly to minimise these effects and continue to fight for children's rights. We faced huge challenges in our work to achieve this but I am immensely proud of what we have accomplished so far.

At the peak of the pandemic, 1.6 billion children were out of school, many lost out on essential learning and some have still not returned. Families are being pushed into extreme poverty. Lack of work and opportunities leads to more tension in the home, and when children are not in school, they are exposed to increases in domestic violence, and other harmful practices. Girls are facing greater inequalities, which has put them at risk of early marriage, physical and sexual violence, and early pregnancy.

Children are feeling anxious and isolated, and living through a pandemic is having a devastating toll on their mental health. On top of this, COVID-19 has placed a massive strain on health systems, some of which are on the brink of collapse. Children are not getting the essential, life-saving health care they need, which puts them at risk of serious illness or even death.

Save the Children immediately stepped up to meet the challenges COVID-19 raised. Our global response and campaign plan to Protect a Generation focused on preventing the reversal of progress made towards the Sustainable Development Goals (SDGs). We adapted our programmes in education, health, and protection to make them COVID safe.

We focused on four crucial areas – keeping children healthy; helping them learn and return to school safely; preventing families from slipping into extreme poverty; and protecting children from the risk of violence in their homes and communities. During the pandemic, we worked alongside children to raise their voices, supporting them to share their experiences of this crisis with governments and decision-makers – ensuring their concerns were heard at a time when they were being largely overlooked.

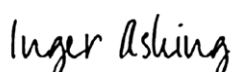
The global pandemic changed us as an organisation. We saw a fundamental shift to remote working due to stay at home orders, forcing us to find innovative ways of working to achieve our breakthroughs for children. Remote working also led to a reduction in travel and our environmental footprint, helping us on our journey to becoming a greener organisation.

While travel and movement were restricted, we had more opportunity to localise our work on the ground, to benefit from our country technical expertise and local partner capability. Having local expertise gives us a clear advantage and we have seen the benefits of this. Our commitments to prioritise working with and supporting local actors are even more pressing in a pandemic – and now is the time to put our theory of change into action.

In 2020, we were required to rapidly scale up our digital efforts – not only in how we engage with our staff and work together remotely, but also in how we influence policy makers and engage our supporters. Our teams used digital and mobile platforms to train teachers and local health workers to deliver cash programming, and to engage our supporters and fellow campaigners. They delivered services remotely using channels like radio, internet, phones and television to reach children like never before – such as digital community case management of childhood illness in Nicaragua, and basic education through television in Ethiopia. This shift towards digital technology has brought different, faster, and more cost-effective ways of working to our organisation.

2020 was a pivotal moment in history and our belief is that, as our global teams work closer together, we will emerge from this crisis stronger, simpler, and able to serve many more children than before.

As we look to the future, I want to thank our teams, members, partners, and donors for their incredible work, their innovative ways of working, and their unwavering commitment to children, in the toughest of circumstances.



Inger Ashing
CEO, Save the Children International

Who we are

We are one of the world's leading independent organisations for children. We work to save children's lives. But we are also committed to helping children fulfil their potential. The fight to secure children's rights is the foundation of all our work.

Our vision is a world in which every child attains the right to survival, protection, development and participation.

Our mission is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.

Our values are Accountability, Ambition, Collaboration, Creativity and Integrity.

For over 100 years, we have worked to ensure all children realise their rights.

Our ambition is to ensure that by 2030:

- **no child dies from preventable causes before their fifth birthday**
- **all children learn from a quality basic education**
- **violence against children is no longer tolerated.**

We cannot do this alone. To achieve these breakthroughs, we must inspire others to join our cause, helping us deliver our work to ensure no child is left behind on the progress made by the rest of the world.

The Save the Children Association (SCA)

The Save the Children Association comprises 30 members (27 full members and 3 associate members¹) as well as Save the Children International.

Save the Children International (SCI)

Save the Children International is mandated to deliver international programmes and coordinate global campaigns on behalf of the entire Save the Children organisation. Financing for international programmes is provided by 17 international programming members.²

With the exception of the sections titled 'Our impact' and 'Our global strategy', which also include information about Save the Children Association, the following pages report on Save the Children International's strategic activities and finances in 2020.

1

An associate member is entitled to use the Save the Children brand but, until progression to full membership, does not have full rights under the Save the Children Bylaws, including those relating to voting rights.

2

Save the Children International programming members are listed in note 18 of the financial statements (page 58).

Our impact

In 2020 we all bore witness to an unprecedented global crisis. The COVID-19 pandemic has had, and continues to have, a devastating impact on the life of every child in every country. Yet it has hit the poorest and most vulnerable the hardest: refugees, displaced children, street children, girls, and children with disabilities. The virus puts an entire generation at risk, it threatens children's rights and it has the potential to undo decades of progress made.

Together, Save the Children International and Save the Children members have faced these exceptional challenges, working towards our global mission – that all children survive, learn, and are protected – within the context of COVID-19. We developed a Global Response Plan to COVID-19, 'Protect a Generation' which reached 29.5 million children and adults in 87 countries. We acted quickly to reframe our plans and respond immediately, focusing on four key priorities: To mitigate the impact of COVID-19 on child survival; to help children learn, stay safe and return to school; to support family survival and food security through safety nets; and to keep children safe in their homes and communities.

Although COVID-19 has had a massive impact on our work, changing how we operate, we continued our essential programmes, advocacy, and campaigns for children across the globe. In 2020, we:

- directly reached nearly **45 million children** through our work and the work of our partners
- responded to **135 emergencies in 63 countries**, reaching nearly 10 million people, including 5.4 million children
- accomplished **106 advocacy and campaign achievements** across Save the Children, of which 70 were secured with children.

Specifically through Save the Children International's programme operations, we worked to ensure...

... all children survive ...

Our focus during the pandemic has been to keep children alive and healthy. Whilst COVID-19 itself has not physically affected children in the same way as adults, from the outset it was clear that the ripple effects of the virus could have a serious impact on children's survival. Widespread national lockdowns, meant that families who were already struggling to support their children found themselves without a source of income, slipping further into poverty. With restricted access to overwhelmed health care systems, children have been left vulnerable to diseases that are easily treatable but can be deadly if missed.

We worked to keep families and communities safe from the virus by sharing information on how to protect themselves during the pandemic. Safe messaging on handwashing, social distancing and good hygiene were shared across 64 countries. To reach children, families, and communities in a variety of areas, we broadcasted information on radio, television, and social media, as well as using more specific media like megaphones in remote areas. We also distributed bars of soap with information written on them, using innovation to get the message across. We reached over 1.1 million households supporting their access to safe water and handwashing facilities to protect themselves day-to-day.

We ensured that health facilities were properly resourced so that staff had the materials and information they needed to prevent the spread of the virus. We know from years of experience that Community Health Care is the first line of defence in a crisis. In 2020 we worked with and trained around 117,000 Community Health Care Workers (CHWs) to detect, refer, and manage cases of COVID-19, so they could keep their communities safe. Being able to continue their work, going out into their communities, meant that CHWs were able to detect children at risk and get them much needed treatment, or refer them on, without delay. In 2020 our teams provided lifesaving treatment to nearly 400,000 children under the age of 5 with acute malnutrition.

We continued to focus on getting people out of poverty, primarily using cash transfers which are one of the best evidence-based anti-poverty tools. Lockdown restrictions had an immediate impact on families' income sources, so we helped over 550,000 households at risk or already in crisis, with cash or voucher transfers, often through mobile phones for greater speed and efficiency. We also worked with governments to advocate for expanding safety nets for the world's poorest families, such as providing free school meals. Through our 'A Foundation to End Child Poverty' Report, we put a spotlight on how child-specific benefits are needed and why we need to move to Universal Child Benefits to protect a generation from the impact of COVID-19 and climate change.

... learn ...

In June 2020, three months after COVID-19 was declared a global pandemic, 90% of children were out of school. Our main concern was to ensure children continued to learn when their schools were closed, focusing on their health and wellbeing as well as their educational needs. We came up with innovative and inclusive ways to keep nearly 3.5 million children learning, including TV and radio lessons, audio files, simple pen and paper materials, and even a library that took books to remote communities via camels. We supported 87,000 children with disabilities, whose needs are often overlooked, to access distance learning programmes and continue their education. We worked with teachers and governments to create distance learning materials that would be rolled out nationally, including ways for children to identify and talk about their feelings. We also helped feed children, who rely on school meals, and delivered messages to rural communities by bus, bike, rickshaws, and pick-up trucks.

Even before the pandemic, 258 million children were out of school, and this rose to a staggering 1.6 billion children at the height of the pandemic. We led the development of the Safe Back to School Practitioner's Guide. Endorsed by the UN Education and Protection Clusters, the guide builds on the UN Framework for Reopening Schools and provides concrete actions to implement these global policy recommendations. It is also being used to support governments and partners to develop national guidelines for the safe return to school for children in Mozambique, Afghanistan, Yemen, and Nepal, while supporting Ministries of Education in 53 countries to adapt their curriculums to the COVID-19 context.

In Sierra Leone, for example, we adjusted our existing education projects, in spite of the pandemic and school closures. Our Accelerated Education Project (AEP) helped get children aged between 10–16 back on track with their education when they have missed out on school and have fallen behind. Our Kimi Project mobilised communities to get involved in supporting their children to keep learning.

When taking the National Primary School Exams (NPSE), 88% of the AEP students and 91% of Kimi Project students passed – outstanding results considering the circumstances of a pandemic. We also worked with voluntary teachers to set up clubs for children, including reading clubs, and we supplied radios and learning materials to teachers and children so that they could follow learning programmes broadcast on the radio.

We addressed the crisis of refugee children's access to education, which was set to worsen during the pandemic, with 3.7 million refugee children out of school before COVID-19 even appeared. Refugees have been hit particularly hard during the pandemic because they have less access to technology and are often excluded from national education systems, and consequently national COVID-19 responses. In September 2020, we co-hosted a virtual high-level meeting, bringing together multi-lateral organisations, philanthropists, foundations, and NGOs to discuss our learning and find solutions to meet the gaps in refugee education. Discussions focused on ensuring refugee children get more access to remote learning and do not miss out on other school services during the pandemic, such as school meals and mental health support. Our recommendations called for increased funding, better coordination, and greater speed in delivery.

... and are protected

During the pandemic it was even more crucial that children affected by violence, abuse, neglect, and exploitation were able to access essential child protection, mental health and psychosocial services and gender-based violence services. COVID-19, and lockdown restrictions, put pressure on families, leaving children at even greater risk of violence in the home, child labour, sexual violence and early marriage. The social distance measures to prevent and respond to COVID-19 also impacted on their mental health and well-being. Our teams and partners adapted ways of working to ensure continuity of these child protection services for children and their families. In humanitarian emergencies life-saving support was prioritised for survivors of sexual violence, those at risk of recruitment by armed forces and those separated from their families.

We supported nearly 250,000 children and 380,000 adults with psychosocial support to help them overcome the effects of isolation, sadness, loss, loneliness and fear, giving them the support to manage theirs and their families' stress and anxiety. We also supported 112,000 children through our case management system, assessing their individual needs and directing them to timely and vital services.

When children's helplines closed, we supported them to reopen and be classified as essential services. We worked with social workers to support children affected by violence. We also supported children, as well as their parents or carers, by sharing messages through radio, video and other media to help them during these stressful times. With so many children suddenly relying on digital technology for socialising and learning, we shared tips to enable them to keep safe while using the internet.

We urged leaders to make child protection a priority in their Covid-19 response plans and to class the child protection workforce as essential workers. Through our research and reports, we also provided evidence on protection issues and how they have been exacerbated during the pandemic, drawing attention to the almost universal negative impact of Covid-19 and its prevention measures on children and caregivers' psychosocial well-being. We also highlighted how children with disabilities fared significantly worse across all indicators than other children, from access to food to exposure to violence, and we recommended priority inclusion in health, education, social protection and child protection services.

Our 'Global Girlhood' Report highlighted the devastating impact of Covid-19 on girls in particular, due to them being at increased risk of sexual and gender-based violence, including child marriage, acting as a barrier to their return to school.

Working with children to make change happen

In May 2020, we conducted a global survey to hear directly from children about how they had been impacted by COVID-19, and to understand and respond to their experiences during this unprecedented time. This was the largest and most comprehensive of its kind to date, talking to 25,000 children, parents, and caregivers from 37 countries. Our findings were compiled in our 'Protect a Generation' report.

We learned that 80% of children had learned little or nothing during the pandemic, and 90% struggled to get access to healthcare and medicines. Almost 1 in 5 children, in families that had seen a loss of income, reported violence in the home. The report highlighted society's inequalities, with the poorest struggling the most and the gap between rich and poor widening further. The survey also asked children what they would say to their leaders if they had a chance. We compiled their responses into the 'Children's Agenda for Action', where they demanded action on education, better access to healthcare and prioritisation of their families' basic needs.

Campaigning

Save our Education campaign

To address the staggering numbers of children unable to go to school during the pandemic, 1.6 billion at its peak, we launched our Save our Education campaign. It sets out actions for global leaders to protect children's right to an education. These include having a robust action plan for education in the context of Covid-19, increasing funding, as well as tracking progress and ensuring those responsible for implementing actions are held to account. We have also made recommendations for governments to ensure that the most marginalised children continue to learn, that clear plans are in place to re-open schools when it is safe to do so, and that all children are healthy and safe while they are out of school. For example, in South Sudan, Save the Children was instrumental in advocating for the withdrawal of a ban on examinations in selected counties and for conducting examinations for all children.

Our advocacy work with the World Bank to relieve financial pressures by suspending debt payments, enabled governments to increase their funding for education, thereby helping to support our campaign objectives. We called for a global high-level meeting on the impact of the pandemic on education – which led to an extraordinary session of the Global Education Meeting convened by UNESCO in October 2020, with over 70 governments represented.

Providing a platform for children

Throughout 2020, we pioneered National and Global Digital Hangouts, which brought children and global leaders together in online meetings about the response to the pandemic. Decision-makers heard children talk about their priorities and share their views on issues such as internet access, how they could be supported to keep learning, and prioritising the impact of violence and isolation on children during the pandemic.

Reaching children in crisis

We continued to respond to humanitarian emergencies around the world, doing all we can for children and their families affected by disasters. We prioritised responses in Afghanistan, South Sudan, Venezuela, Syria, Iraq, occupied Palestinian territory (oPt), Nigeria and the Democratic Republic of Congo (DRC), where children's needs were the greatest and where we were best placed to scale our impact.

Conflict, climate change, economic turbulence and a global pandemic are all contributing to a **Global Hunger Crisis**, where children are being pushed to the brink of starvation. Without nutritious food, children are at risk of becoming severely malnourished and dying of entirely preventable diseases. Save the Children has been responding to this emergency, calling for greater funding to ensure that children survive and are healthy.

Circumstances are particularly dire in **South Sudan**, where conflict has led to the displacement of 4 million people. We have provided cash and food assistance to some of the most vulnerable families, as well as training parents and carers on how to assess their child's malnutrition status at home, so symptoms can be detected early.

Every day children in **Yemen** are struggling to survive the triple threat of explosions, starvation and disease. Nearly six years of conflict and severe economic decline are driving the country to the brink of famine, with 80% of the population requiring some form of assistance. Despite enormous operational challenges, Save the Children is reaching the most vulnerable children across Yemen, making sure they have enough food to eat, can access healthcare, can continue their education, and are protected from violence. Since the beginning of the crisis, we have reached more than four million children with crucial support.

In **Northern Nigeria**, the number of people at risk of going hungry continued to rise. We screened over 68,000 children for malnutrition and treated over 7,600 of them. We continued to advocate for children's access to safe, quality and uninterrupted education and enrolled over 215,000 children in schools. Psychosocial support was also provided to over 28,500 children.

Forty years of conflict in **Afghanistan** has left the country on the brink, and recent drought and floods have caused further devastation. The security situation remains volatile and climatic shocks such as floods, landslides and heavy snowfall continue to worsen the situation for children across the country. Our teams reached families with protection, education, shelter and food assistance and delivered life-saving health services through mobile health teams that served the most remote communities, reaching pregnant women, new mothers and children with malnutrition screening and treatment programmes.

It is estimated that 50% of children in North **Syria** have dropped out of school as a result of COVID-19. Determined that children do not miss out on their education, we rolled out new methods of remote learning, including online lessons, to keep as many children as possible in education during the pandemic. We continued to work with partners in the North West, North East and South of the country.

In November 2020, conflict erupted in the **Tigray region in Ethiopia**, exacerbating an already complex situation in the country. Before the conflict, 950,000 people were in need of aid, with families in the region facing insecurity, flooding, locust attacks, drought and disease outbreak. The outbreak of violence has caused mass displacement across the region and over 61,000 Ethiopians have sought refuge in Sudan. Now, an additional 1.3 million people across Tigray, Amhara and Afar regions are in need of assistance.

Save the Children is one of the few organisations with capacity to respond in the Tigray region and is also responding to the influx of people across the border in Sudan. Teams continue to provide lifesaving assistance to affected communities, such as the provision of food baskets and hygiene and shelter kits to thousands of families.

Unemployment, hyper-inflation and violence have left 7 million **Venezuelans** in need of assistance. This has led to a migration crisis, putting an added burden on countries like Colombia, which hosts 2 million migrants, and Peru, which hosts 900,000. Our teams have been supporting migrant children, advocating for their rights and highlighting their needs. In Colombia we have adapted our response to help families protect themselves from Covid-19, and distributed education supplies so children can learn at home. In Peru we have provided cash assistance to 7,000 of the most vulnerable families, prioritising those experiencing food insecurity. In Venezuela, we launched a small food security programme to support families and community kitchens in 4 states. We are currently expanding this work to reach more vulnerable children and families.

When a warehouse in the main port in **Beirut** was hit by a massive explosion on August 29th, we provided over 4,000 debris-removal kits including helmets, goggles, and shovels, to help clear rubble. For those whose homes were damaged, we supplied over 2,000 shelter kits, we supplied 10,800 hot meals, and distributed cash grants to spend on essentials such as food and rent. Our teams delivered crucial psychological first aid to around 370 children and parents, to help them process what had happened, and set up 140 child friendly spaces to give children their own place to play.

In November 2020, hurricanes Eta and Iota inflicted unimaginable destruction across **Guatemala, Nicaragua and Honduras** causing floods and landslides, as well as structural damage to roads, buildings, and power grids. Save the Children was immediately on the ground conducting rapid assessments to identify the critical needs of children and their families. We worked to reach over 200,000 people in these three hardest hit countries with essential supplies such as food, safe drinking water, blankets, hygiene, cooking and cleaning kits. We also gave psychosocial support to families that have lost everything, and provided supplies, such as crayons and colouring books, for children to play with and process their feelings.

In response to a significant rise in humanitarian needs over the last year and drawing on the lessons we learned, we launched our first ever Global Humanitarian Plan 2021: Children Cannot Wait to ensure we can protect children from immediate risks to their survival and support their recovery from crisis, in partnership and solidarity with civil society organisations, NGOs and UN agencies.

Our Global Strategy: Ambition for Children 2030

In 2016 Save the Children launched a 15-year global strategy to ensure that by 2030:

- no child dies from preventable causes before their fifth birthday
- all children learn from a quality basic education
- Violence against children is no longer tolerated.

This is the first time all Save the Children members, together with Save the Children International, have agreed a shared strategy that is being implemented across the organisation. 2020 marked the second year of our three-year strategic period (2019–2021), and we are striving to drive impact for children by implementing our three-year-plan as outlined below.



Ambition 2030

ALL CHILDREN SURVIVE, LEARN AND ARE PROTECTED

In 2019–2021, we will drive our breakthroughs for deprived and marginalised children across all contexts by:



SURVIVE

Helping children survive by reducing childhood pneumonia and supporting adolescent sexual and reproductive health and rights



LEARN

Improving learning outcomes in the early years by promoting literacy and numeracy in inclusive learning environments



BE PROTECTED

Protecting children in conflict and changing behaviours that expose children to violence

Drive high quality programmes and advocacy

- Focus our people and funding on the most deprived and marginalised children
- Learn, do and measure what works
- Put child rights at the centre of what we do

Engage the public to support our cause

- Build on integrated approach to public engagement
- Accelerate growth in supporter giving

Change how we work to be fit for the future

- Improve accountability to our stakeholders
- Develop new models and platforms

Operate more effectively and efficiently

- Reform our governance
- Live our values and engage our people
- Continue to improve our infrastructure

Progress delivered by Save the Children International in 2020

Our ambition for all children to learn, survive and be protected did not change in 2020, but COVID-19 affected how we implemented our plans to reach our goals.

In some ways, this pandemic helped us take more aggressive steps to deliver on our strategy, for example in digital transformation and localisation, where our progress had been lagging. In other ways, it challenged us to be more nimble and adapt in the face of immense uncertainty. It brought us closer together as an organisation, to act as one for a greater impact on a global scale. For the first time ever we launched a truly global fundraising appeal across Save the Children International and members, which aligned with both our advocacy strategy and global COVID-19 response plan under the framework of 'protecting a generation'. We brought our donors and fellow campaigners closer to our work, to staff on the ground and the children who are leading change in their communities, by holding a series of webinars across the globe, connecting them directly. We also reduced costs, as well as our carbon footprint, due to COVID-19 travel restrictions, and we used digital and mobile platforms more than ever before to deliver our programmes.

Drive high quality programmes and advocacy

In May 2020, we launched our Protect a Generation Response Strategy, which outlines how we are mitigating and responding to the devastating impact this pandemic is having on children. This truly global plan was the first of its kind for Save the Children. It integrates our programming, advocacy, campaigning, and fundraising work; and demonstrates the innovative and creative work we are doing on the ground to respond to COVID-19. The plan has been used by members and country offices to advocate for the \$649 million in funding we need to reach 69 million people across 87 countries, enabling us to protect children's access to essential services and prevent children and their families from slipping further into poverty.

Safe Back to School initiative: Our Safe Back to School Initiative was endorsed in August 2020. It aims to see 150 million children get back into learning through programme delivery, advocacy, and campaigning, while using our role as co-lead of the inter-agency education work during humanitarian emergencies (the Education cluster). Additionally, we have identified 15 priority countries where we have the potential to make the most impact in the coming year, where children's well-being has been severely affected since being out of school. We also advocated strongly to governments to increase or maintain the share of public expenditure on education and ensure recovery packages support marginalised students.

Strengthening resilience and financial safety nets:

The outlook for global hunger and food security in 2021 is bleak, with 150 million more children living in poverty and four countries at risk of famine. Save the Children is focusing on our capacity to deliver Cash Plus programming, providing cash transfers alongside other services, such as nutrition interventions. Towards the end of 2020, we reviewed our end-to-end operational procedures and ways of working to improve delivery speed and quality around our cash programming. We finalised our report 'A foundation to end child poverty', aimed at governments, donors, and development partners. The report sets out a clear, evidence-based policy solution for governments to work progressively towards Universal Child Benefits. We also advocated to increase coverage for children in social protection systems in humanitarian responses – starting with the most deprived and marginalised.

Technical expertise (TE): In early 2020, we set up virtual groups of technical experts to help to connect colleagues across the globe on adapting programmes, in preparation for and in response to, the effects of COVID-19 on children and their families. As part of our efforts to focus on the most deprived, in April we launched the Technical Expertise Request Platform to provide virtual expertise where it is most needed. 65 requests from 30 country, regional and member offices were placed, 81% of which were fulfilled.

Accelerated evidence and learning: The COVID-19 crisis has driven better aligned and coordinated support from our technical teams. Technical staff from around the world rapidly developed and shared COVID-19 programme adaptations to allow our programmes to continue in a way that was safe for children and staff. This included, for example, guidance on how to monitor acute malnutrition using a 'no-touch' approach, and remote monitoring approaches when staff were unable to visit communities in person. In addition, between March and early September 2020, over 100 different webinars and sharing forums were convened with staff from around the world, building and sharing our collective knowledge on how best to continue to reach children in the time of COVID-19. In June 2020, we launched a new "Learning Log" available across Save the Children for rapid sharing of lessons from programmes, operations and advocacy as offices innovated and adapted to new challenges.

Advocating for and alongside children

In the face of COVID-19, Save the Children's advocacy and campaigns work stood out as an area where we drove the meaningful inclusion of children in national response plans. In 41 countries, we supported children's voices to be heard and included in national and subnational COVID-19 planning and implementation. At the global level we campaigned for the safe return of children to learning, and hosted innovative digital hangouts with 13 government officials and 31 children, drove UNGA commitments to the COVID-19 response, advocated for debt relief, and the inclusion of civil society in the global vaccine platform COVAX.

Nationally, we have secured crucial wins through our advocacy. For example, the Ethiopian government included Universal Child Benefits in its 10-year economic plan. We influenced the scale up of a social protection schemes for orphans and vulnerable children by the Government of Nepal, as well as the design and piloting of a universal child grant scheme in Somaliland. Working in partnership with other organisations, we contributed to a law being overturned in Sierra Leone, which banned pregnant girls from attending school. Katsina State in northwest Nigeria passed a Child Protection Bill aimed at ensuring the provision of adequate care and protection for children, and a long-awaited confirmation that Sudan has now criminalised Female Genital Mutilation following years of advocacy. We continued to speak out on child rights violations with specific emphasis in 2020 on the dire situation of children in occupied Palestinian Territory, Yemen, Syria, and Myanmar.

Engage the public to support our cause

Save the Children International coordinated and convened Save the Children members to launch our biggest ever public fundraising appeal of \$100 million, to respond to the COVID-19 crisis. By the end of 2020, Save the Children members had raised \$96.5 million towards the appeal. Despite an extremely challenging fundraising environment, where Face-to-face (F2F) programmes shut down in more than 11 member markets, our individual giving was stronger than projected. Working alongside members, Save the Children International devised a rapid risk mitigation plan, which was put into effect as early as February, focusing on redirecting investments into areas such as digital as we sought to diversify our fundraising portfolio. As a result, by mid-2020 we had surpassed our new donor targets, with new acquisitions through telemarketing, Direct Response TV (DRTV) and digital fundraising making up for F2F shortfall. We were able to reactivate our F2F channel using contactless methods in some markets, with particular success in Netherlands, South Africa and Mexico. Our donor legacy pipeline also continued to grow steadily, and while legacy prospecting, channel benchmarking and DRTV testing were delayed due to COVID-19, this work resumed in late 2020.

Change how we work to be fit for the future

In 2020, we continued to make progress on our operating model to ensure it is fit for the future. We designed two new operating models within our structure, for National Offices and Save the Children International US branches, to start implementing in 2022. These models will ensure we can respond to global and local donor needs in the most effective way.

We demonstrated how well we can adapt to online working through the rapid rollout of MS Teams by the end of May 2020. In the second half of 2020 we moved the SCI Financial System into the Microsoft Cloud, followed by our remaining global technology services, allowing us the flexibility to grow and shrink easily to meet business demands and the needs of the future, and offer a truly flexible, 'work from anywhere' approach. To move us closer to 24/7 operating model, we strategically placed a new Technology Hub in the Philippines, to serve our users and Save the Children members in Asia in 'real time', resulting in far less interruptions to our work with children.

COVID-19 has brought even more cyber threats as criminals exploit the pandemic. We rolled out software to all SCI managed devices to filter inappropriate content, encrypted all our laptops and installed remote 'end point' management capability, allowing us to remote manage laptops, software, updates and corporate policies, therefore making it much harder for the cybercriminal. We also achieved certification in 2020 for the UK Government's minimum standard of Information Security – Cyber Essentials – which is required in order to obtain UK Government funding. Working with Microsoft, we invested in the CoreView Solution that will allow us to administer our complex environment giving enough administration rights to technical staff in our country offices without exposing ourselves to risk.

Operate more effectively and efficiently

In 2020, we continued our focus of transforming ourselves into a more effective and efficient organisation. We have intentionally worked on building a diverse and inclusive workforce, where in 2020, 64% of our leaders in the movement are women, and 52% of leaders in our country offices are from non-OECD countries (up from 24% in 2014). We completed the implementation of our new global HR Information System – Oracle HR – reaching all our 15,529 staff. It enables us to include more robust talent information for more effective deployments, and better management of information and reporting to inform planning and strategic decisions. We streamlined our activities to reduce costs, for example reviewing our organisational structures in our regional offices and the Centre, which although has resulted in minimal redundancies, the new structure has a reduced number of management layers to enable faster and more effective decision-making and delivery.

Through continued work to transform our supply chain, we were able to achieve \$9.5m in financial benefits (against a target of \$7.9 million) plus \$330,000 of Supply Chain gifts-in-kind. We also launched our new Supply Chain Learning Hub platform to support our people's professional development and trained more than 750 staff in procurement basics. We successfully launched a 'Source to Pay' solution, which automates and digitalises how we procure and pay for goods and services. Having gone live in all five regional offices, two country offices and the centre in October 2020, the system will be implemented across the majority of our country offices in 2021. We also released our bespoke Project Management Methodology (PMM) and conducted training for the first 600 members of staff. This will be further supported by PRIME which we will introduce in 2021, allowing us to project manage programmes and track evidence of our results – increasing our impact for children.

2021 Strategic priorities

The COVID-19 crisis is threatening to reverse decades of progress toward the Sustainable Development Goals in child and maternal health, education, protection, and child poverty. As a result, more than one billion children are facing years of learning loss due to school closures, and more than 100 million children are being pushed into severe poverty. Millions more will die from preventable illness, be sent to work, or be forced into early marriage. The pandemic and global recession are also having an inordinate impact on people already marginalised and facing grave inequities, due to gender, disability, race and religion. Added to these challenges, children face more frequent and severe catastrophic events and protracted crises due to the climate crisis, entrenched conflict and fragility, forced displacement and infectious diseases. Yet, at a time when children need us more than ever, the role, shrinking space and financial viability of INGOs continue to be threatened, pushing us to revisit our business model to be adaptable and resilient to a changing future.

Although we have made substantial progress in our 2019–2021 Global workplan, in 2020, the current global crises highlight where we are falling behind, including where more fundamental change is needed to protect and uphold children's rights. We need stronger alliances, local partners, evidence, new business models and new donors, to have an impact for children on the scale required. We also have to be more intentional to make diversity, inclusion, gender equality and anti-racism part of our organisation and culture and ensure our brand image and profile reflect the same.

As millions of children head back to school, there continues to be a real danger of unprecedented reversals in learning, coupled with a surge in dropouts among vulnerable groups of children. We are seeing child poverty and malnutrition surge as financial safety nets fall from family budgets across low-income settings. Our response will be to give priority to distance and accelerated learning, and to building financial resilience to combat increased poverty and malnutrition, which can in turn improve children's chances of continuing their learning and returning safely to school. We are also committed to a renewed focus on defending the rights of the most deprived and marginalised children. We will speak out against child rights violations, and will advocate and campaign more boldly, with children and young people, on the need for systemic change on these issues. Locally and globally, we have sharpened our breakthrough plans in essential health care and nutrition to focus on malnutrition, pneumonia and integrated community care. We have refined our child protection plans to focus on strengthening child protection services at community level – across our education, social protection, and essential health services work – to reduce violence against children and other negative coping strategies in homes, schools and online.

Throughout 2021, we will prioritise work in six key areas to:

- 1 Strengthen learning and access to education for millions of children around the world:**
By 2021, we will have contributed to maintaining access to flexible/blended learning opportunities for more than 85 million children in our focus countries, and to reducing the global \$35 billion education financing gap by at least 10%.
- 2 Strengthen resilience and financial safety nets for millions of children and their families:**
By the end of 2021, we will have contributed to ensuring that 500,000 children and their families in the poorest countries are able to meet their basic needs through increased access to cash, and supported at least 7 governments to improve coverage of social protection for children.
- 3 Strengthen technical expertise and humanitarian capability to deliver quality programming and advocacy at the frontline:**
By the end of 2021, we will have increased the number of senior technical experts in countries and regions to more than 650 and the resourcing of local partners by 10% beyond project direct costs, transferred the management of Emergency Health Unit into SCI, and consolidated a fully flexible \$40 million Humanitarian Fund.
- 4 Increase fundraising alignment, diversity and return on investment to drive our breakthroughs:**
By the end of 2021, we will have secured more than \$80 million in new raise from institutional and corporate accounts, including through new strategic accounts; and established more cost-effective partnership models with more than two multilateral member accounts.
- 5 Become more cost effective and accountable for children, donors and one another:**
By the end of 2021, we will have agreed the timeline to deliver on our ambition of reducing our ratio of support services and administrative costs by 20%, increased unrestricted resources going to programming by \$30 million with 80% of SCA staff using Oracle, majority of SCI staff procuring goods with ProSave, and our carbon footprint baselined and targeted cross-movement.
- 6 Build a stronger culture and become more diverse and inclusive from the inside out:**
By the end of 2021, staff engagement across the movement will be at 75% or greater; we will be using a diversity scorecard to improve diversity of leadership in SCA, and have ensured 100% staff complete unconscious bias and anti-racism training.

Risk management and internal control

Shared risk appetite across Save the Children

In 2020, confronted with the challenges which COVID-19 created for our operations worldwide, Save the Children International has responded by working more closely together with its members in jointly addressing the risks we all share. As such the membership endorsed mid 2020 a global shared risk appetite as part of a global risk management framework with a commitment to embed it in our risk culture and review it on a regular basis. As such we consider strong risk management and robust internal control to be critical components of our operations. It enables us to uphold and protect our reputation and, as a result, gain the trust of the children and communities we work with, our partners, as well as the individual and institutional donors who support us.

Risk management and reporting

While establishing a risk appetite is a significant improvement, we realised that further progress would be required for a global risk management framework, including an effective incident reporting and case management system, and a proper governance mechanism for escalating risk incidents and concerns to the trustees. As such after extensive stakeholder engagement with our Risk Management Working Group, which has a substantial regional and country level representation, we have started to more systematically document and manage risk at country, regional and centre level. Risks are formally documented in risk management plans, as well as in individual award risk assessments.

We now specify certain risks that all country offices are required to assess on a routine basis, which we define as principal risks, which cover the twelve areas of risk for which a shared board risk appetite has been established. These are:

- Speaking out – Not Speaking out
- Quality Program Design
- Program Delivery
- Harming Children and Adults
- Safety and security
- Harassment & Bullying
- People
- Fraud & Data
- Compliance
- Sustainability
- Transformation & Delivery
- Governance

We consider managing and mitigating these risks to be instrumental to achieving our strategic and operational objectives.

Regional Risk Committees review risk reports, provide support to country offices in managing key risks and act as a mechanism for escalating risks to the centre and board committees. At the centre, we have established a Centre Risk Management Committee, composed of risk managers, appointed by the Senior Leadership Team members who hold accountability for these principal risks. This Committee assists the Senior Leadership Team to identify and discuss the key risks that could limit the organisation's ability to achieve its objectives.

Those risks, together with ratings and mitigation plans, are discussed by the trustees at their quarterly Audit and Risk Committee. The trustees are accountable to children, Save the Children members, donors, regulators, including the Charity Commission, partners, staff as well as the Save the Children Assembly³.

Incident reporting, case management and cross-functional risk management

Our incident reporting, case management and cross-functional risk management have clear procedures, mechanisms and processes to detect, react, report, manage and mitigate risk. In March 2020, we moved our incident reporting and case management system – Datix – in the Cloud, just in time to allow our staff to remotely access the system report and manage all child safeguarding and fraud incidents and concerns and added at the same time global safety and security incidents, sexual harassment, bullying and adult safeguarding to the types of incidents which now could be reported and managed online. We also built a link between Datix and our global whistleblowing hotline.

We have since also added data protection and information security incidents and their case management to Datix and are looking to start using the insurance claims capability and risk management modules which are also part of the standard Datix offering. This system generates the serious incident reports which allows our trustees of Save the Children International to communicate all serious incidents with the Charity Commission and to the relevant programming Save the Children members, so they can in turn inform their donors.

3

The Save the Children Assembly comprises of the Save the Children Association member organisations, usually represented by their Board Chair, and is the entity with the highest authority within the Save the Children Association. The Assembly has final decision rights under the Bylaws on key decisions, including membership, mission, strategy, global accountability and brand.

Brexit-related risks

As negotiations for the UK to exit the European Union continued throughout 2020 up to the deadline, we kept working to identify, assess and address/mitigate the financial and non-financial risks that Brexit posed to Save the Children International and the wider Save the Children Association. Early on we had identified that the primary risk would be in relation to eligibility for, and compliance with, funding from the European Commission's Directorate-General for International Cooperation and Development and Directorate-General for Neighbourhood and Enlargement Negotiations. To reduce the amount of awards at risk, we have been working on structural changes in those country offices most impacted as part a broader project related to creating more flexibility in our operating models. The Save the Children Association had a pipeline of \$13 million awards at risk from 1 January 2021 onwards, which we will continue to monitor regularly throughout the year. In addition, we have taken mitigating actions to reduce other risks around our workforce, procurement, foreign exchange and other treasury operations, travel, data protection, insurance, procurement and tax in order to minimise disruption to our operations.

Child safeguarding

Save the Children has a zero-tolerance policy towards the abuse and exploitation of children by anyone involved with our programs, including staff, partners and others representing our cause, such as volunteers. We are deeply committed to preventing any intended and unintended harm to children caused either directly or indirectly by our activities.

Save the Children International has a global child safeguarding policy, which outlines and requires the following:

- Save the Children aims to be a child safe organisation.
- Everyone associated with Save the Children must be made aware of their responsibility to safeguard children and adults and risks of child abuse and sexual exploitation.
- Save the Children recruits only representatives who are suited to work with children and to apply strict child safe recruitment practices.
- Anyone who represents our organisation must adhere to the safeguarding policies.
- Anyone who represents our organisation behaves appropriately towards children and never abuses the position of trust that comes with being a member of the Save the Children community. This applies to both the private and professional lives of all staff and representatives.
- Everyone who represents the organisation must actively create a safe environment for children who come into contact with the organisation.
- All activities and programs of work, including during the response to humanitarian emergencies, are assessed for risks to children and these risks are reduced or mitigated by all means within our control.
- Save the Children International's central, regional and country offices establish and maintain robust systems, which promote awareness of child safeguarding, and enable the prevention of harm.

2020 Progress

Key successes

In 2020 we made good progress in improving our safeguarding efforts in SCI, including:

- All SCI Country Offices (COs) have an annual safeguarding plan in place, developed based on their self-assessment against the Child Safeguarding Protocol.
- The Safeguarding Framework has effectively governed all types of safeguarding within Save the Children under the umbrella of one policy, and contributed to an increase in reporting of Adult Safeguarding concerns.
- Our pilot safeguarding study covering volunteers was completed, and is due for a phased rollout in 2021 and 2022.
- Risks are reviewed quarterly through a risk committee and Financial Control and Compliance process.
- Country offices have invested significantly in full time safeguarding resources – with more than 70 full time safeguarding staff in country offices by year end (compared to a total of 20 full time staff two years ago in 2018).
- A new Child Safeguarding e-Learning course was rolled out, and saw strong training compliance with 95% of new SCI staff trained on safeguarding within their first three months.
- Continued rigorous review of safeguarding concerns, learning and ensuring survivor care.

2020 incidents and actions

Child safeguarding

Save the Children's child safeguarding incidents include any incident where a child may be injured or harmed, or placed at risk of harm. This includes a wide range of incidents, from a child being injured in a road crash to a child being physically harmed by an adult.

In 2020, there were 401 child safeguarding concerns reported, which is 32% lower than in 2019, 8% higher than 2018.

- Of the 401 concerns reported, 278 have been closed at time of analysis:
 - 55% were substantiated (53% in 2019)
 - 36% of the cases related to sexual exploitation and abuse or physical abuse (38% in 2019)
 - 37% (102) of cases involved Save the Children staff (27% in 2019)
- Of the 102 closed concerns involving Save the Children staff:
 - 52 allegations were substantiated
 - 12 were sexual exploitation and abuse cases
 - 18 cases led to contract termination or contract not extended, 2 suspensions and 18 official warnings, 4 supervision and counselling. 10 cases resulted in other action, such as programmatic intervention, process improvement, or additional awareness raising and training.
 - 8 cases were reported to the local authorities. There may have been instances where we decided not to refer cases to local authorities if it posed additional risk to the survivor, or in contexts where it was not possible to do so.
- The 32% drop in child safeguarding concerns in 2020 represented a fall in the number of concerns raised at the onset of the COVID pandemic, which was driven by changes in programming activities in country offices and challenges in conducting in-person monitoring, awareness, and reporting activities in the field. Adaptation to the COVID context started in March 2020, and led to a gradual increase in reporting until reporting volumes were back at 2019 levels by Q4 2020.

Substantiated cases overall

* 2020 figures include both child safeguarding and adult safeguarding (adults in the community and staff safeguarding concerns), while 2019 figures include only child safeguarding concerns. The majority of cases from 2020 that were open at the end of the year were reported in Q4 2020, and were under active investigation at the time this analysis was prepared.

- We see this as an indication that our culture of awareness raising continues to move in the right direction and as a reflection of our ongoing campaign to build trust within the communities we work. Our efforts to build awareness on the importance of reporting, what constitutes a safeguarding issue and our survivor-centred approach, has meant that both children and adults continue to be likely to voice their concerns knowing that our staff will respond and provide the right support and care for survivors. Our reporting data enables us to continuously growing sophistication in identifying risks and spotting early warnings.

Adult safeguarding

Adult safeguarding concerns cover a wide range of incidents, from disrespectful comments in the workplace, bullying behaviour by line managers, and misuse of power and abuse involving community members. The concerns include early warnings and situations where there is a risk of harm.

In 2020, there were 186 adult safeguarding concerns reported, compared to 80 in 2019, which comprised:

- 151 staff concerns and 35 related to adults in the communities where we work
- 67 concerns related to bullying, harassment or intimidation
- 33 concerns related to sexual harassment
- 89 concerns have been closed:
 - 47 allegations were substantiated
 - 5 cases led to contract termination, 2 led to contract not extended, 5 suspensions, 3 counselling and supervision, and 10 official warnings. 22 cases resulted in other action, such as programmatic intervention, process improvement, or additional awareness raising and training.
- The increase in concerns for 2020 can largely be attributed to launching adult safeguarding on Datix, the successful roll-out in 2019 of our Preventing Sexual Exploitation and Abuse (PSEA) policy, the Safeguarding Framework Policy, and anti-harassment and bullying training, leading to more awareness and trust in the system.

	Total Cases Reported	Total Cases Closed at time of analysis	Total Cases Substantiated	% Substantiated
2019	592	591	315	53%
2020*	587	367	199	54%
Total	1179	958	514	54%

2021 outlook

We are intentional in making progress in five areas in 2021 to mitigate risk:

- Scale safeguarding in partnership and volunteers to country offices with the intent of mitigating risks.
- Prevent re-occurrence of incidents
- Focus on mitigating risk of abuse in adults within the communities we serve
- Ensure embedding of safeguarding protocol mitigates risks
- Ensure retention of dedicated safeguarding talent through development and movement of talent

As awareness and trust grows, we do not expect the overall number of concerns to decline in 2021.

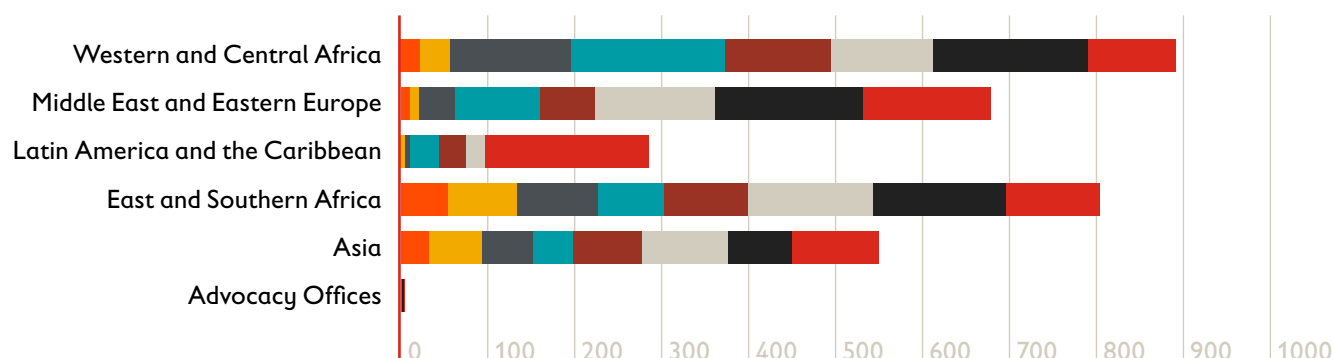
Fraud, bribery, and corruption

Incidents and actions in 2020

During the onset of the COVID-19 pandemic, it was initially anticipated that reporting and case figures would decrease significantly. In reality, a smaller decrease has been observed. Where face-to-face reporting may have not been possible, the global availability of Safecall for whistleblowing and Datix for function specific incident reporting has facilitated reports from staff even as we adjust to remote and home-based working.

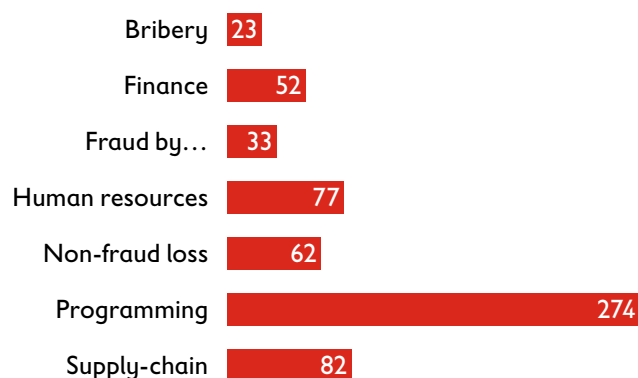
In 2020, the number of fraud incident reports decreased by 10% from 870 in 2019 to 781. We noted a smaller percentage decrease in the number of reports investigated in 2020, down 2% from 618 in 2019 to 603. A 27% decrease in Level 1 (most serious) cases was also noted, down from 48 in 2019 to 35. The number of cases closed in 2020 increased by 11% from 726 in 2019 to 811.

Fraud cases by region and year



	AOs	A	ESA	LAC	MEEE	WCA
2013	0	33	54	0	11	22
2014	0	61	80	5	10	35
2015	0	59	93	6	42	139
2016	1	45	76	33	97	177
2017	0	79	97	31	64	122
2018	0	100	143	22	138	117
2019	2	73	153	42	170	178
2020	2	100	107	146	147	101

Cases by classification



The most significant increase in fraud cases by region in 2020 was in Latin America and the Caribbean, which saw a 246% increase from 42 in 2019 to 146 in 2020, placing the region just below Middle East and Eastern Europe in total cases for the year. 118 of these 146 cases were connected to a new Cash Transfer Programme in the region. The lessons learned from the experience throughout 2020 are being shared with other cash transfer programme teams to identify weaknesses that can be prevented in future activities.

The increased number of Programming cases in Colombia has contributed to the 54% increase in cases of that classification, from 148 in 2019 to 274 in 2020. In contrast, there were marginal decreases in other incident classifications, e.g. Bribery 25 cases in 2019 to 23 in 2020 and Supply Chain 98 cases in 2019 to 82 in 2020.

There were two fraud cases in Advocacy and Fundraising offices in 2020. These two cases were detected through financial reviews of the offices, rather than office staff reporting. It is hoped that increased completion of the Fraud, Bribery & Corruption Awareness Training, and development of an anti-fraud culture, led by senior staff, will encourage staff to report concerns and suspicions more frequently in 2021.

Key achievements in 2020

- To meet the challenge of a caseload that continues to increase, coupled with the additional restrictions placed on travel and normative ways of working, a Remote Investigation Guidance was created. This was designed to complement the existing investigation methodology and equip Regional Fraud Leads and Fraud Focal Points to respond to reports anywhere in the world without relying on office based work or extensive travel.
- Risk functions who had been using Datix Web for reporting and case management migrated to Datix Cloud IQ in March 2020. DCIQ is a cloud-based platform offering increased functionality for core users and increased accessibility for staff to report concerns from anywhere in the Save the Children movement.

Priorities for 2021

A fully staffed Global Fraud Team is a high priority in the first quarter of the year enabling us to improve data and information quality for key stakeholders, continue to investigate remotely, and develop proactive investigation initiatives independent of traditional reactive fraud investigations.

Global assurance

The purpose of Global Assurance is to provide Save the Children International's Chief Executive Officer and the trustees with an independent and objective assessment of the risk, control, and governance arrangements in place at Save the Children. The Global Assurance team undertakes audits of country offices, humanitarian responses, regional offices, and specific business units, based on an assessment of risk.

Global Assurance is overseen by the Audit and Risk Committee, which assesses the function's performance, guarantees its independence, approves its strategies and work plan, and receives reports on key risk and control issues arising from its work. The committee seeks regular confirmation and evidence from management that actions it has agreed with the Global Assurance function have been implemented.

In 2020, Global Assurance conducted a combination of 18 audit, advisory and consultancy engagements, including audits of country offices identified as higher risk, business units, and a cross-organisational audit on programme quality and impact, a key strategic priority for the organisation. In light of the COVID-19 crisis, Global Assurance carried out work to ensure that business units were actively responding to heightened and/or new risks. Global Assurance's work noted a resilient and agile organisation responding to the challenges brought by the pandemic, although some recurring gaps and weaknesses in our control environment – specifically cross-functional collaboration on timely and comprehensive management of risk, and financial sustainability specifically in humanitarian contexts – are still evident. This should be prioritised to ensure a sustainable improvement in our internal control and strengthen the organisation's agility in responding to crises. In 2021, the team will continue to focus on structural weaknesses in our global internal control systems.

Our people

We deliver on our ambition for children because of dedicated, hard-working and talented colleagues – from those that deliver programmes on the ground or campaign on key issues, to those who work behind the scenes to keep our data safe, our stock at the right levels and our operations compliant. Save the Children International aims to be a place where engaged colleagues from diverse backgrounds work to achieve our ambition for children. We are committed to the wellbeing and development of over 15,000 staff globally.

COVID-19

The COVID-19 pandemic presented huge challenges but SCI was able to produce a clear COVID response strategy. We saw a fundamental shift to remote working due to stay at home orders and this had a knock on effect on staff wellbeing. From a duty of care perspective, SCI has been proactively monitoring the well-being of colleagues through leadership at country offices and local pulse surveys, and we are providing psycho-social support, counselling, healthcare and death benefits as and when colleagues need these. In addition, there are a number of mental health champions in place and a confidential CiC Employee Assistance Programme (EAP) service is available to staff.

Anti-harassment

To safeguard our colleagues and staff, there is zero tolerance for all forms of Harassment, Bullying and Intimidation. The SCI Anti-Harassment, Intimidation and Bullying Policy reinforces key messages and expectations to ensure a safe and trusted working environment for all our people by explicitly identifying that any form of harassment, intimidation, bullying, physical and sexual violence and exploitation are not tolerated within our organisation. SCI expects all our staff and representatives to strive for the highest standards of integrity and accountability and to conduct themselves in line with this policy and our Code of Conduct. We will continue to build awareness, prevention and reporting for the safeguarding of staff.

Diversity and equality

At Save the Children International, we foster a culture of respect and dignity for all colleagues. We believe that it is critical to address discrimination directly and promote equality in order to ensure that no harm comes to children, and to advance our vision for a world where every child attains their equal right to survival, protection, development and participation. There is zero tolerance for all forms of abuse and mistreatment, which includes sexual exploitation and abuse, harassment, intimidation, and bullying.

Save the Children International has policies and procedures to ensure that job applicants and employees receive fair and equal treatment irrespective of gender, ethnic origin, disability, age, sexual orientation, or any other unjustifiable grounds. Selection for employment, promotion, training or any other benefit is based on aptitude and ability, and all employees and volunteers, whether part time, full time or temporary, are treated fairly and equally.

SCI Board diversity

Our Board of Trustees recognise that it is critical we build an effective approach to supporting equality, diversity and inclusion throughout our organisation, and that those standards start with the Board's own practice.

In 2019, we created a Nominations Committee to support the search and recruitment of new Trustees to the SCI Board, recognising in particular the importance of building diverse representation among our Board members.

In January 2021, the Board attended a workshop to discuss diversity at Board level, including the findings and recommendations of a governance review carried out by Campbell Tickell. The Board's work on this is ongoing and will be integrated with other work on diversity and equality described below. The Board of Trustees have agreed to address identified "gaps" in representation and so increase Board diversity by the end of 2022.

Reporting on gender equality initiatives across the organisation

On an annual basis, we calculate our UK gender pay gap, which looks at the difference between the average pay of all women vs the average pay for all men. Calculating and reporting on the gender pay gap was postponed in the UK by the UK government (due to COVID-19), and we plan to publish our 2019 and 2020 figures later this year. However, the currently published figures for 2018 – published in 2019 are a median pay gap of 16.3% mean pay gap of 16.8% – further details can be found [here](#).

In 2020, we worked closely with our Centre Employee Forum (set up in 2020) and Centre Employee Networks to continue our focus on gender equality by:

- Having a dedicated focal point in the HR Team for Diversity and Inclusion.
 - Launching a Workplace Global Diversity, Equity and Inclusion Policy.
 - Conducting an Equal Pay and Diversity Pay Audit for all UK employees.
 - Ensuring at least 60% of participants in Talent Development Programmes were female.
 - Ensuring at least 53% of talent in our Regional pipeline are women.
 - Ensuring over 50% of our Country Directors are women.
 - Continuing our focus on gender balance at board and leadership levels: 45% of our leaders (Senior Leadership Team and SCA/SCI Board members) are women.
 - Senior Leadership Team agreeing the organisation's Anti-Racist Statement.
 - Continued tracking of diversity data and mandatory training.
- We intend to continue our focus on diversity and inclusion in 2021, by:
- Training and Communicating on the Global Diversity, Equity, and Inclusion Policy.
 - Adding salary information to all job adverts and no longer asking for current salary
 - Collecting and acting upon, the diversity data in our engagement surveys.
 - Leaders undertaking unconscious bias training as part of the talent review process and the process enabling unconscious bias to be challenges.
 - Rolling out global anti-bias training.
 - Launching global disability inclusion policy, accountability guidance for Gender and accountability framework and guidance for Gender Equality marker KPI
 - Gender Equality Self-Assessment conducted (including action plan) in 4–6 Country Offices and Gender and Power analysis in 8–10 Country Offices.
 - Building on our people data and Diversity Scorecard to include globally LGBTQ, disability, and other relevant groups.
 - Completing a recruitment gender audit and implementing all necessary actions to address any issues identified.
 - Completing an equal pay audit, looking at all diversity groups.
 - Creation of Disability Network and Experiences (Socio/economic etc) Network
 - Continuing our efforts to attract more women into senior positions.
 - Continuing our focus on gender balance, non-OECD and other groups at the trustee and leadership levels.
 - Continuing our efforts to attract more men and women into roles where there is an under-representation of either gender.

Executive pay

Decisions relating to senior leadership pay are shared with the trustees, and decisions on CEO pay are made by the Trustees guided by its People & Organisation Committee. The People & Organisation Committee approves SCL's Reward Principles which inform our reward policy and annual pay reviews for employees.

For roles in the UK and International roles, base salary is set around the median of the INGO market. For local national roles, pay structures are set between 50–75th Percentile (based on context) of the INGO market. We do not offer any performance related pay. Benefits are set as per the contract type – national (including UK), International and International-light. We aim to recruit to national terms and conditions but where this is not possible and the conditions in our package type policy are met then we may offer an international or international-light package.

Average Country Director pay is broadly in line with the median of the market (our pay aim) and the average lowest and highest actual pay are in line for both male and female Country Directors.

Leveraging talent globally to be fit for future 2019–2021

In our current three-year workplan (2019–2021), we want to continue to make talent an advantage by repeating processes that work with rigour, scaling our processes out to lower layers of the organisation and across Save the Children Association, and continuing to get better at strategic succession planning and movement.

In 2020 we focused on:

- Identifying, retaining and succession planning for 25 mission-critical roles in International Programmes. In January 2021, 96% roles are occupied, 92% roles have at least 1 successor, 48% successors are female (which we need to increase) and 70% successors are people of colour or minorities.
- Collaborating with Member HR Teams and CEOs to conduct the first Talent Management Discussion across Save the Children International and members. This process will enable us to identify mission-critical roles across the organisation and our top organisational talent who can prepare to fill these positions in the future. We will continue to have 2 global talent discussions per year.
- Making our talent review process operational via Oracle HR. 97% country offices completed the annual talent review process using Oracle HR. This increases accountability and now enables us to track and monitor the increasing time in position of senior leaders, as well as improving internal movement and diversity of senior leaders.

- Valuing and nurturing all levels of talent by embedding and digitalising our 'Develop to Perform' performance management approach ensuring that all employees have goals and development plans and that their managers support them in quarterly development and performance conversations. In 2020, 72% employees set performance goals in Oracle HR and 55% set development goals. By the end of 2021 we would like both to be at 75%.
- Continued to build internal coaching capabilities by training a further 15 senior leaders from SCL and SCUS to coach 45 of our internal promotable talent.
- Re-designed talent development programmes, such as our Global Leaders Engagement Week, managing for High Performance and our Senior Leaders Coaching Programme from face-to-face to virtual learning sessions to ensure our commitments to developing leaders.
- Launched our Global Mobility Framework to focus on creating international experiences for internal talent, with a focus on increasing international assignments for talent from non-OECD backgrounds.

In 2021 we aim to achieve the following:

- Continue to drive stability in country leaders. At the end of 2020, average time in position was 2.3 years and we want this to increase to 3 years. We also aim for a turnover rate below 10% – our turnover rate in 2020 was 8%. Our internal movement rate is at 70% and we want to maintain this for 2020.
- Have 92% complete succession plans for mission-critical roles, with 96% roles occupied, 76% roles being filled internally, and a bench of 2–3 internal successors per role. We would also like to see equal distribution of men, women, OECD and non-OECD people targeted as successors for these roles.
- Identify and implement 8–10 internal assignments or job moves for the SCA identified Talent Pool.
- Have 100% complete succession plans for SCL Centre ELT roles, Regional Leadership Team Roles and Country Directors by the end of 2021. We will intentionally track and monitor the distribution of women and non-OECD as successors for these key positions.
- Ensure that 75% of Save the Children International workforce have documented development goals recorded in Oracle HR by the end of 2021.
- Create Talent Strategies for the Global Thematic areas to support TE Talent Development.

Carbon and energy data

Children are the least responsible for the climate crisis, yet they will bear the greatest burden of its impact. From cyclones, heat waves, droughts and wildfires, through destruction and loss of livelihoods, to spikes of diseases and epidemics, disruption of education, increase risk of abuse, exploitation and violence, and displacement of millions of people, the consequences of the climate crisis are all around us. In many places where Save the Children works, we are seeing how climate change is harming the poorest and most marginalised children and deepening existing inequalities.

Energy and carbon disclosures for reporting year

	Emissions Source	2020 (tCO ₂ e)
Scope 2	Electricity	28.39
Total Scope 2		539.46
Scope 3	Flights (including WTT)	502.88
	Hotel	28.75
	Taxis (including WTT)	0.78
	Rail (including WTT)	0.35
	Electricity transmission and distribution (including WTT ⁴)	2.78
	Electricity generation WTT ^{4,5}	3.92
Total Scope 3		539.46
Total (Market Based)		575.75
Total (Location Based)		567.85
Total Energy Usage (kWh)		121,757.00
Normaliser	tCO ₂ e per FTE	1.14

⁴ WTT emissions have been included for both the losses experienced in the grid (categorised as transmission and distribution) and the impact of electricity generation.

⁵ Electricity generation WTT emissions are a scope 3 category and as such as not been included with the rest of electricity generation emissions as this is scope 2.

Save the Children International recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year-on-year. In 2020, we upgraded our energy and carbon reporting to meet our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and to increase the transparency with which we communicate about our environmental impact to our stakeholders.

2020 Performance

In 2020, we calculated our environmental impact across scope 1 and 2 emission sources, and across selected categories within scope 3 emission sources (see table below). Our emissions are presented on both a location and market basis and include well-to tank (WTT) emissions.

The main sources of emissions were from flights, electricity and hotel stays in 2020. Overall, the consumption of electricity was low due to COVID-19 restrictions resulting in the office space being unoccupied for 8 months of the year in 2020. It is also expected that flights are lower due to the global pandemic restricting travel to and from the UK. There were no emissions recorded in the reporting period for scope 1 (emissions directly from operations that are owned or controlled by the reporting company)

Energy and carbon action

Due to COVID-19 and other external factors no Energy Savings Initiatives have been undertaken in 2020. In 2021, Save the Children will agree to global emission reduction targets for the organisation as a whole.

2020 Results

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

- World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version)
- Defra's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019).
- UK office emissions have been calculated using the DEFRA 2020.
- Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities fall within the reporting period of January 2020 to December 2020.

Financial performance

In order to achieve our mission, Save the Children International conducts high-quality, proactive and responsive financial management aimed at maximising the impact for our global beneficiaries. Financial performance provides a means by which to judge the results of our strategy and activities in objective monetary terms.

All figures are quoted in US dollars.

Incoming Resources

During 2020, the COVID-19 pandemic presented significant uncertainties in world economies, yet despite this, Save the Children International's income of \$1,166 million remained close to the 2019 amount of \$1,169 million. Similar to previous years, 97% of our income was received directly from Save the Children member organisations and the remaining 3% was largely from direct grants and donations in our country offices and donated professional services.

Income from our member organisations of \$1,096 million remained at a similar level to 2019. Income from gifts-in-kind fell by \$3 million to \$78 million; a significant reduction in gifts-in-kind of food aid was largely offset by increase in pharmaceutical supplies and donated professional services.

Expenditure

Total expenditure in 2020 was \$1,144 million, representing a 2% (\$29 million) reduction compared with the \$1,173 million expenditure in 2019. Expenditure fell due to Indonesia and the Philippines transitioning from Save the Children International country offices to become Save the Children associate members. Excluding Indonesia and the Philippines, total spend in 2020 was similar to 2019 showing that even with the significant impact of COVID-19 changing how we operate, we continued to spend on our essential programmes, advocacy and campaigning for children.

A detailed analysis of expenditure is given in Note 3 to the accounts.

Overall humanitarian spend made up 51% of total expenditure in 2020 against 49% on development. This was a small shift from 2019 where humanitarian made up 48% of total expenditure. From a thematic perspective, Health and Nutrition expenditure made up 40% of total expenditure in 2020 (40% in 2019), Education made up 25% (23% in 2019) and Livelihoods 14% (16% in 2019).

Expenditure increased in three of our five regions.

Total spend in the West and Central Africa region increased by 12%, from \$177 million in 2019 to \$198 million. Except for Nigeria and Mali, expenditure increased in all country offices within the region. Cote D'Ivoire saw expenditure increase by \$7 million with most spend on two major health awards. There was increased donor interest and new awards in Burkina Faso resulting in expenditure increasing by over \$6 million with more programme work with adolescents. Spend in Senegal increased by over \$5 million with more cash transfer programming.

2020 spend in the East and Southern Africa region increased by 6% to \$392 million (\$370 million in 2019). Humanitarian responses in Malawi, Mozambique and Ethiopia were scaled down, while the response in Somalia was scaled up to \$117 million making it our largest country office. Spend in Sudan more than doubled to \$31 million in 2020 due to our humanitarian response to refugees fleeing the Tigray conflict in Ethiopia.

In the Latin America and Caribbean region, total spend of \$61 million was 7% higher than in 2019 (\$57 million). This was largely due to an increase in spend in Colombia, Peru and Venezuela on our response to the Venezuelan migrant crisis.

Spending in the Asia region decreased by \$60 million from \$294 million in 2019 to \$234 million in 2020. This was largely due to the scale down of the Rohingya response in Bangladesh, reducing spend by \$25 million to \$60 million in 2020, and the transition of Indonesia and the Philippines to Associate Members reducing spend by \$26 million. Except for Laos, spend fell in all other countries, reflecting the impact of COVID-19.

In the Middle East and Eastern Europe region, total spend of \$186 million fell by 9% compared to \$204 million in 2019. Most significantly, spend in Yemen decreased by \$8 million to \$71 million, mainly in the North following the suspension of US government spending in April 2020. Spend in Iraq fell by \$6 million to \$18 million and in Egypt by \$5 million to \$13 million, largely as a result of reduced donor funding and the impact of COVID-19.

Balance sheet

Save the Children International's balance sheet showed net assets have increased from \$69 million to \$90 million. Cash and short-term deposits had increased from \$182 million, to \$239 million in 2020. We believe this to be an appropriate level of cash to be held by Save the Children International considering the high expenditure, which takes place at the end of each year.

Reserves

Save the Children International holds reserves for the following purposes:

- To cover our operating expenses in the event of a downturn in income and/or unforeseen increases in costs.
- To meet the costs of unforeseen liabilities for employment or other legal claims not covered by insurance.
- To protect against foreign exchange losses.
- To cover the associated costs in the event of closure or wind-down of our core operations. (Costs associated with the closure and/or wind-down of International Programming work are covered separately by member indemnities up to a maximum of \$20 million).

Save the Children International's reserves comprise the following funds:

General Funds

General Funds comprises investment and other income arising through Save the Children International's activities, and foreign exchange gains and losses. General funds increased from \$0.4 million to \$1.8 million due to gains on foreign exchange in 2020.

International Programming Reserve

The trustees have set the target level for the International Programming Reserve at \$15 million. In 2018, a transfer was made of \$2.8 million to the Strategic Investment Fund for High Performing Organisation projects that is being replenished by members in line with our agreement. The balance at the end of 2020 was \$14.7 million (including unrecognised contingent assets of \$6.2 million) showing a replenishment from members of \$1.9 million during 2020. The Strategic Investment Fund was created to ensure the organisation could deliver on its strategic plan, with a main emphasis on investing in the portfolio of global transformation projects aimed at improving our efficiency and effectiveness. The use of reserve funds to cover system developments was agreed with Save the Children members and the reserve will be replenished over the forthcoming years in accordance with that agreement.

Of the \$14.7 million total available reserves as of 31 December 2020, \$8.5 million is held by Save the Children International (up from \$6.6 million in 2019) and a further \$6.2 million is in the form of letters of credit from Save the Children members (shown as contingent assets in Note 18 to the accounts). These letters of credit allow Save the Children International unconditional and irrevocable access to funds on demand in the event of reserves being required.

Closure Reserve

The trustees have designated a proportion of our unrestricted funds to be used for a Closure Reserve. This represents funds to cover the salary and personnel costs of closure / wind-down of the non-international programming activities. The reserve currently stands at \$1.3 million. The trustees have re-evaluated these funds and confirmed that this is an appropriate target level for these purposes at the date of signing this report.

Grant making policy

Save the Children International works in partnership with many organisations. This work includes our staff being involved in joint operations; supporting and monitoring work; and funding local partners to deliver services, humanitarian aid and advocate for child rights. The grants we make to partners enable them to contribute to our breakthroughs, as well as strengthening their organisational capacity. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add in reaching the most deprived and marginalised children. We advise and monitor how all grants are spent. In 2020, 21% (2019: 19%) of expenditure was through partners.

Going concern

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected. Many governments took stringent steps to help contain or delay the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and “locking-down” cities/regions or even entire countries.

In response to the COVID-19 pandemic, Save the Children International has modelled its financial exposure considering, 2020 actual performance, 2021 budget forecasts and assumptions regarding secured funding, programming activity and variable costs; reviewed its liquidity, cash flow forecasts and International Programming Reserve levels.

The Trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees note that, to date, the level of programming activity during the pandemic continues to be significantly better than anticipated at the outset.

Based on the financial performance through the pandemic to date, the reserve position at the date of approval, together with the financial modelling and cash flow forecasts that have been prepared to the end of 2022 the Trustees have a reasonable expectation that Save the Children International will have the necessary resources to continue operating for the foreseeable future. Therefore, they are satisfied, at the time of approving the financial statements, that Save the Children International has adequate resources to continue to operate for the foreseeable future and are not aware of any material uncertainties that call this into doubt. The financial statements have therefore been prepared on the basis that the charity is a going concern. Please refer to the basis of preparation outlined in the financial statements in Note 1.

Structure, governance and management

Save the Children International is a UK company limited by guarantee (not having share capital) and a registered charity in England and Wales, governed by its Articles of Association as last amended on 7 July 2020. It is registered with Companies House and the Charity Commission and must comply with the Companies Act 2006 and Charities Act 2011. Save the Children International's sole member is Save the Children Association, a Swiss Association formed pursuant to articles 60–79 of the Swiss Civil Code. Save the Children International had seven wholly owned subsidiaries at 31 December 2020, details of which are given in Note 16 of the financial statements.

Board of trustees

Save the Children International's Board of trustees mirrors the board of Save the Children Association. The Save the Children International board consists of:

- i** Nine individuals who are member organisations that contributed at least 8% of the combined total income of all members of Save the Children Association;
- ii** Three individuals who are elected by those member organisations that do not appoint trustees (as above);
- iii** One independent trustee who is elected by those member organisations which do not appoint trustees (as per (i) above); and
- iv** One trustee (who may be independent or from a member board) who is selected by the appointed trustees.

Further details of the Board members are listed below.

The Save the Children International Board oversees the management of the business of the charity and exercises (directly or through delegation) all the powers of the charity. The board seeks to ensure that all activities are within relevant laws and agreed charitable objects. Its work includes oversight of, and agreeing the financial plan for, international programmes.

Auditor

KPMG LLP will be deemed appointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

The Audit and Risk Committee oversees the charity's monitoring of external auditor objectivity and independence in relation to non-audit services. The auditor is excluded from undertaking a range of work on behalf of the charity to ensure that the nature of non-audit services performed or fee income relative to the audit fees does not compromise, or is not seen to compromise, the auditor's independence, objectivity or integrity.

Statement of responsibilities of the Trustees of Save the Children International in respect of the Trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the group and parent charitable company's financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 group and charitable company and of the group's excess of expenditure over income for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group 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.

Induction process for trustees

On appointment to the Board, trustees are provided with an induction pack including information on structure and governance of Save the Children International; the roles and responsibilities of trustees and guidance from the Charity Commission; and ways of working, strategic documents and key policies. Trustees also undertake a range of mandatory trainings including child safeguarding and undertake an induction programme including meetings with Senior Leadership Team members and visits to programmes.

Committees

In 2020, a substantive review of the various Board Committees' Terms of Reference (TOR) was undertaken to clarify the remit of each Committee and to review the Committees' ways of working against best practice. The resultant revisions were approved in the Board meetings at the beginning of this year. The following disclosure reflects the changes made to each Committee's TOR with respect to its remit as an SCI Board Committee.

The Audit and Risk Committee is appointed by the board of trustees and has five members, including a chair. The committee meets at least four times a year to consider reports from the management team and external auditors. The committee oversees matters concerning SCI's external auditors, the annual financial statements, SCI's internal controls, risk strategy, appetite and management (including fraud and safeguarding risk and related management of incidents) and compliance. It also oversees the work of the global assurance function.

The Finance Committee is appointed by the board of trustees and has five members, including a chair. The committee meets at least four times a year to consider reports from the management team. The committee advises the board on financial management budget, and reporting, treasury, insurance and reserves.

The Governance Committee is appointed by the board of trustees and has six members, including a chair, who meet at least four times a year. The committee advises the trustees on Save the Children International's governance framework, the constitution of its Board and Board governance systems and processes, as well as effectiveness.

The People and Organisation Committee is appointed by the board of trustees and has six members, including a chair (who must not be the same person as the chair of the board), who meet at least four times a year. The committee advises the trustees on the compensation of the Chief Executive Officer, SCI Managing Director, and senior management of Save the Children International, by reference to those in comparable employment within the INGO and other relevant sectors. It also advises on organisational design and processes, and organisational culture, and has oversight of SCI's safeguarding policy and procedures.

Organisational structure

The trustees delegate the day-to-day running of the charity to the Chief Executive Officer and the senior leadership team, who are responsible for particular areas of the charity and are listed below. The Chief Executive Officer reports to the chair of the board.

Public benefit

The trustees ensure that the activities of the charity are consistent with its charitable objectives and aims. In agreeing our annual plans, the trustees take into account public benefit as set out in the Charity Commission's general guidance on public benefit in relation to the prevention and relief of poverty, the advancement of education and health and the relief of those in need. The trustees believe there is clear public benefit derived from the activities of the charity.

Venture partners and volunteer involvement

This year we have continued to benefit from ongoing strategic partnerships with:

- In 2020, Boston Consulting Group donated to Save the Children globally \$5.7 million of professional services and strategic support for regional and country strategy development, climate and digital initiatives, organisational efficiency and effectiveness and scale-up support, plus \$0.6 million on secondments of key staff to work on different initiatives around the movement.
- Latham & Watkins LLP for donated legal services of \$1.9.
- Freshfields Bruckhaus Deringer LLP for donated legal services of \$1.7.
- Baker & McKenzie LLP for donated legal services of \$568,000, particularly in the areas of brand protection, employment law and global contracts.

We would like to thank our partners, volunteers, interns and secondees for their continuing contributions, which are invaluable in realising our ambitions for children.

Governance

Governance is a matter of continuous improvement and there are, therefore, a number of initiatives underway to ensure SCI's governance evolves to continue to best support us in delivering impact for children.

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders. This is best achieved through proactive and efficient engagement. By understanding our stakeholders, we can factor into Boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns, in accordance with s172 of the Companies Act 2006.

In the financial year 2020, the Governance Committee and the Board commissioned an independent review of Board Effectiveness by Campbell Tickell. This review was framed around the Charity Governance Code, which has since been updated, and allowed SCI to reflect on our adherence to the principles contained therein.

The Board Effectiveness Review identified a number of strengths in SCI's governance, including robust fiduciary oversight. There were also areas identified where further progress could bring benefits, such as development of some elements of governance infrastructure. The SCI Governance Committee has responsibility for oversight of the implementation of recommendations made by Campbell Tickell.

In addition, the Board has been reviewing diversity at Board level, and is in the process of reviewing actions around governance diversity and inclusion plans and targets, which will be integrated with other work on diversity and equality described on page 20.

The principles of good governance contained within the Charity Governance Code underpin SCI's governance framework, and we will continue to review our practice against the Code's requirements under the leadership of our new Chair.

Approval of the Trustees' Report

The Trustee's Report was approved by the Board of Trustees on 10 May 2021.

Signed on behalf of the board of trustees by:



Angela Ahrendts

Chair of the Board of Trustees (from 5 January 2021)

Administrative details

Trustees during 2020 and as at date of approval of the report

Robert Good (*Interim Chair until 4 January 2021*)
Angela Ahrendts (*Chair from 5 January 2021*)
Roy Caple (*Vice Chair from 6 June 2020*)
Debra Fine (*Vice Chair from 6 June 2020*)
Peter Hodgson (*until 31 December 2020*)
Anne Fahy
Tamara Ingram
Bradley Irwin
Jon Lomoy (*from 1 January 2021*)
Elizabeth Lule
Raymond Mankowitz
Margaret McGetrick
Joon Oh
Charles Steel (*until 31 December 2020*)
Claudio Tesaro
Dona Young

Board committee memberships as at 31 December 2020

Audit and Risk Committee

Peter Hodgson (*Chair until 31 December 2020*)
Anne Fahy
Debra Fine
Dona Young
Robert Good

Finance Committee

Anne Fahy (*Chair*)
Peter Hodgson (*until 31 December 2020*)
Brad Irwin
Debra Fine
Margaret McGetrick

Governance Committee

Robert Good (*Chair*)
Roy Caple
Dona Young
Charles Steel (*until 31 December 2020*)
Joon Oh
Claudio Tesaro

People and Organisation Committee

Roy Caple (*Chair*)
Elizabeth Lule
Brad Irwin
Joon Oh
Tamara Ingram
Raymond Mankowitz

Senior Leadership Team

Chief Executive Officer

Inger Ashing

International Programmes Managing Director

David Wright

Chief Financial Officer

Yngve Seierstad Stokke (*until 12 June 2020*)

Chief Financial Officer

Sam Sharpe (*interim from 22 June 2020, permanent from 1 September 2020*)

General Counsel

Clare Canning

Chief People Officer

Chet Kuchinad

Global Programme Impact Director

Bidjan Nashat

Director of Member Development and Revenue Growth

Clare Rodger

Chief Risk Officer

Dominiek Vangaeve (*SLT until February 2020*)

Global Campaign, Advocacy and Communications Director (*Acting*)

Kitty Arie (*until 18 October 2020*)

Global Campaign, Advocacy and Communications Director

Bidisha Pillai (*from 19 October 2020*)

Chief Transformation Officer

Michael Koutstaal

Director of Global Strategy

Megan Steinke (*SLT until February 2020*)

Registered office

St Vincent House
30 Orange Street
London WC2H 7HH

Company Secretary

Clare Canning

Registered number

3732267

Registered charity number

1076822

Principal bankers

Barclays Bank Plc
1 Churchill place
Canary wharf
London E14 5HP

EcoBank
EBI SA, Representative Office
2nd Floor, 20 Old Broad Street
London EC2N 1DP

Standard Bank Plc
20 Gresham Street
London EC2V 7JE
Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London, E14 5GL

Independent auditor's report to the members of Save the Children International

Opinion

We have audited the financial statements of Save the Children International ("the charitable company") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated and charity balance sheet, consolidated cash flow statement and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees, the audit and risk committee, internal audit, and management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, the Group's channel for "whistleblowing" and fraud reporting, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit and risk committee, governance committee and people and organisation committee minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account possible pressures to internal key performance indicators and our knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the incorrect accounting period and the risk that Group and component management may be in a position to make inappropriate accounting entries.

We also identified fraud risks related to cash and inventory valuation and management in response to the environment in which the Group operates. The Group is working in deprived areas where people desperately need the cash and resources that SCI control. This inherently increases the risks surrounding the control of assets. We also identified a fraud risk related to working with partners and working in a decentralised control environment. Attitudes towards fraudulent activities such as kickbacks may be seen as more common in some areas where the Group works, increasing the likelihood that these are offered, requested or paid. Turnover of staff at some country offices is high meaning it is difficult to ensure that all members of staff have had appropriate fraud awareness and reporting training.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, particularly involving cash accounts;
- Inspecting the relevant income agreements and their accounting to confirm their recognition in line with the SORP for different revenue streams;
- Inspecting stock count sheets and attending inventory counts at specific warehouses;
- Obtaining third party bank confirmations;
- Inspecting partnership agreements and authorisation of partner payments; and
- Assessing the design and effectiveness of controls in place at Country Office level over areas such as procurement, HR, and cash.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the Trustees and other management (as required by auditing standards). We discussed with the Trustees and other management the policies and procedures in place regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation and the charity SORP) and local tax regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of charitable company legislation, recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' and strategic report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' report and strategic report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 28, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

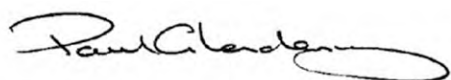
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Glendenning (*Senior Statutory Auditor*)
for and on behalf of

KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

2 June 2021

Financial statements

Consolidated statement of financial activities for the year ended 31 December 2020 (including an income and expenditure account)

	Notes	Unrestricted USD 000s	Restricted USD 000s	2020 Total USD 000s	Unrestricted USD 000s	Restricted USD 000s	2019 Total USD 000s
Income from donations							
Grants and other donations		17,262	1,066,470	1,083,732	16,812	1,067,453	1,084,265
Gifts in kind	2(c)	–	77,637	77,637	288	80,824	81,112
Total income from donations	2(a)	17,262	1,144,107	1,161,369	17,100	1,148,277	1,165,377
Income from investments	2(d)	954	70	1,024	2,846	113	2,959
Other income	2(e)	1,926	1,383	3,309	231	695	926
Total incoming resources		20,142	1,145,560	1,165,702	20,177	1,149,085	1,169,262
Expenditure on raising funds		9	188	197	52	3,679	3,731
Expenditure on charitable activities							
International programs		15,060	1,102,481	1,117,541	11,976	1,125,114	1,137,090
Campaigning and advocacy		2,033	21,245	23,278	3,626	21,283	24,909
Growth and development of Save the Children		27	3,318	3,345	1,707	5,516	7,223
Total expenditure on charitable activities	3(a)	17,120	1,127,044	1,144,164	17,309	1,151,913	1,169,222
Total outgoing resources	3(a)	17,129	1,127,232	1,144,361	17,361	1,155,592	1,172,953
Net incoming / (outgoing) resources for the year		3,013	18,328	21,341	2,816	(6,507)	(3,691)
Transfers between funds	15	9,470	(9,470)	–	(551)	551	–
Total funds brought forward	15	24,252	44,431	68,683	21,987	50,387	72,374
Total funds carried forward	15	36,735	53,289	90,024	24,252	44,431	68,683

All gains and losses recognised in the financial year are included above. There is no difference between the net incoming resources before other recognised gains and losses above and the historical cost equivalent. All activities are continuing. The charity uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for the charity as a separate entity. The group structure is explained in note 16 and net outgoing resources for the charity alone for the year ended 31 December 2020 were USD 32,958,736 (2019: net outgoing resources of USD 4,314,912). The notes on pages 38 to 58 form part of these financial statements.

Consolidated and charity balance sheet as at 31 December 2020

	Notes	2020 Group USD 000s	2020 Charity USD 000s	2019 Group USD 000s	2019 Charity USD 000s
Fixed assets					
Tangible fixed assets	5	22,913	22,685	16,154	16,127
		22,913	22,685	16,154	16,127
Current assets					
Stock	6	17,879	17,231	17,181	14,629
Debtors	7	125,897	123,491	145,776	141,724
Investments	8	82,667	82,667	75,509	75,509
Cash at bank and in hand	9	156,461	155,443	106,477	103,579
		382,904	378,832	344,943	335,441
Current liabilities					
Creditors: amounts falling due within one year	10	(263,046)	(260,572)	(242,744)	(241,497)
Net current assets		119,858	118,260	102,199	93,944
Provisions	11	(52,747)	(50,747)	(49,670)	(46,574)
Provisions and long term liabilities		(52,747)	(50,747)	(49,670)	(46,574)
Total net assets		90,024	90,198	68,683	63,497
Unrestricted funds					
General funds		1,751	1,751	427	427
Designated funds		34,984	32,484	23,825	24,026
Total unrestricted funds	15	36,735	34,235	24,252	24,453
Restricted funds	15	53,289	55,963	44,431	39,044
Total funds	15	90,024	90,198	68,683	63,497

The notes on pages 38 to 58 form part of these financial statements.

Approved by the board of trustees and signed on its behalf by:

Angela Ahrendts

Angela Ahrendts
Chair of the Board of Trustees
Save the Children International
29 May 2021

Margaret McGetrick

Margaret McGetrick
Chair of the Audit and Risk Committee
Save the Children International
1 June 2021

Company registration number: 3732267

Consolidated cash flow statement for the year ended 31 December 2020

	2020 USD 000s	2019 USD 000s
Cash flows from operating activities		
Net incoming/(outgoing) resources for the year	21,341	(3,691)
Depreciation	3,521	1,411
Interest receivable and similar income	(1,024)	(2,959)
(Gains)/losses on disposal of tangible fixed assets	(2,818)	15
Increase in stocks of gifts in kind	(498)	(1,706)
	20,522	(6,930)
Decrease in debtors	19,879	12
(Increase)/decrease in stocks of purchased goods	(200)	800
Increase/(decrease) in creditors	20,302	(23,312)
Increase in provisions	3,077	222
	43,058	(22,278)
Net cash from operating activities	63,580	(29,208)
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(10,271)	(6,141)
Proceeds from the sale of assets	2,809	59
Acquisition of other investments	–	860
Interest received	1,024	2,959
Net cash from investing activities	(6,438)	(2,263)
Net cash flows for the year ended 31 December	57,142	(31,471)
Change in cash and cash equivalents in the financial year		
Cash and cash equivalents at the beginning of the financial year	181,986	213,457
Net cash inflows (outflows) for the financial year	57,142	(31,471)
Cash and cash equivalents at the end of the financial year	239,128	181,986
represented by:		
Cash at bank and in hand	156,461	106,477
Short term deposits	82,667	75,509
Total cash and cash equivalents	239,128	181,986

Save the Children International uses the exemption conferred by section 1.12 of FRS 102 in not preparing a separate cash flow statement for the charity as a separate entity.

Notes to the accounts for the year ended 31 December 2020

1 Accounting policies

a Basis of accounting

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland published in October 2019. All income and expenditure relates to continuing operations. The financial statements comply with the requirements of the charity's Memorandum and Articles of Association. The financial statements have been prepared on a going concern basis. The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note. The presentation currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest \$1,000.

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected. Many governments are taking stringent steps to help contain or delay the spread of the virus, including: requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries.

For the year ended 31 December 2020, both income and programming activity continued at very similar levels to 2019 and this is expected to continue in 2021.

The Trustees have prepared cash flow forecasts for the period to 31 December 2022, which indicate that, after taking account of severe but plausible downsides, and the anticipated future impact of COVID-19 on the operations and its financial resources, the Group and Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period.

In particular, Save the Children International has:

- modelled its cash flow and reserve requirements based on 2021 budget assumptions, considering secure funding, programme operations and fixed and variable costs;
- reviewed its liquidity and cash flow forecasts including severe but plausible downside scenarios that model lower funding and programming activity than experienced in 2020;
- reviewed its International Programming Reserve level;
- considered the financial performance and position of the members who provide funding.

Consequently, the Trustees are confident that the Group and Charitable Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

b Basis of consolidation

The group accounts incorporate those of the wholly owned subsidiaries of the charity as detailed in note 16 to the financial statements. The results of each subsidiary are consolidated on a line by line basis.

c Company status

The charity is a company limited by guarantee, not having share capital. Save the Children International's sole member is Save the Children Association, a Swiss Association formed pursuant to articles 60–79 of the Swiss Civil Code. The trustees of Save the Children International are named on page 30. The Charity is a Public Benefit Entity as defined in FRS 102.

d Income recognition

Income is recognised in the financial year in which Save the Children International is legally entitled to the income, receipt of funds is probable and the amount can be measured with sufficient reliability.

International programming grant income from Save the Children members is recognised when the charity can demonstrate entitlement to the income. In most cases this is based on programme activity performed. Typically international programming grant agreements specify the goods and services to be provided to beneficiaries.

For the purposes of income recognition, the amount of resources expended on individual grants is used to measure programme activity performed. International programming grant income is credited to restricted income within the Statement of Financial Activities (SOFA). In cases where, by agreement with the Save the Children member, funds are received in advance of programme activity, income is recognised upon receipt of the funds and credited to restricted income in the SOFA, with any unspent balances carried forward to the following year within the relevant fund.

Grant income to fund international programming operational activity not directly attributable to projects, investment activity and the financial management system is recognised when entitlement falls due following the agreed schedule in accordance with a Member Contribution Agreement. Income is credited to restricted income within the SOFA, with unspent balances being carried forward to the following year within the relevant fund.

Grant income from Save the Children Association and from members to establish Save the Children International reserves is recognised when entitlement falls due.

All other sources of income are recognised as entitlement falls due in accordance with contractual agreements.

e Gifts in kind

Gifts in kind donated for distribution by country programmes (such as food, clothing and medical supplies) are included at valuation. Income is recognised when gifts in kind are received. Expenditure is recognised when gifts in kind are released from the warehouse to be distributed to the projects and any undistributed amounts are recognised on the balance sheet as stock. Gifts in kind are valued by Save the Children International staff with regard to market prices when distributed in cases where the donor has not provided a valuation.

Gifts in kind for pro bono services are valued either at market value or, where this is not available, an appropriate estimate of the value to the charity is made.

Services donated by members are valued at cost.

In preparing these accounts no value has been attributed to the work performed by volunteers in accordance with the SORP.

f Stock

Undistributed balances of goods donated for distribution and goods acquired for distribution are recognised as stock. Stocks are deemed as distributed at the point the stocks are released from the warehouse. Stocks are valued at cost, estimated market value when received or donor valuations.

g Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is charged inclusive of any irrecoverable taxation.

A sizable proportion of the programme work of Save the Children International is undertaken by making grants to operational partners who perform the work on the ground and report back to Save the Children International on the work they have done.

Save the Children International recognises the expenditure on these grants when payment is due to the partner organisation in accordance with the terms of the agreement. The related income on grants which will be used to cover these payments is recognised at the same time in accordance with the charity's standard income recognition policy. Standard partner agreements are typically for a year's duration but can span several years. The agreements contain certain conditions, the fulfilment of which is under the control of the charity. Save the Children International assesses partner performance prior to agreements being signed and monitors their performance for the duration of the agreement.

Support costs which include the central and regional office functions such as general management, payroll administration, budgeting and accounting, human resources, information technology, legal compliance and trustees costs are allocated across the categories of charitable activities. The basis for the cost allocation is explained in note 3c to the accounts.

h Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the charity is exempt from taxation in respect of income and capital grants received within categories covered by Chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity and its subsidiary, The Save the Children Alliance Trading Limited, have a group registration for VAT. Country offices are subject to local tax legislation.

i Foreign currencies

The functional currency of Save the Children International is US Dollars. The exchange rate to Sterling at 31 December 2020 was 1.33 (31 December 2019: 1.30).

Where Save the Children International has entered into forward contracts for the purchase of foreign currencies, expenditure in those currencies covered by the forward contract are translated into US Dollars at the forward contracted rate. Transactions denominated in other currencies are translated at the rate of exchange at the time of the transaction.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign currency gains and losses are included in the SOFA against the expenditure for the financial year in which they are incurred.

j Financial instruments

Financial instruments including forward currency contracts and currency swap arrangements are included in the financial statements at a fair value at the balance sheet date. The value is included within current assets or current liabilities unless the financial instrument is for a period of greater than 1 year. As at 31 December 2020 two offsetting Korean Won non-deliverable forward trades with a combined net value of zero were in place with a maturity of greater than one year.

k Debtors

Trade and other debtors are recognised at the settlement amount due.

l Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Motor vehicles	5 years
Computer software	5 years
Computer hardware	3 years
Furniture, equipment and fixtures	5 years
Freehold property	25–50 years
Leasehold property	Shorter of 10 years and lease term

The charity does not capitalise assets purchased as part of international programme grant expenditure, nor individual expenditure items below USD 5,000.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

m Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the income and expenditure account using the straight line method.

Where assets are financed by operating lease agreements, the lease rentals are charged to the income and expenditure account over the life of the lease on a straight line basis.

n Pensions

The pension costs charged in the financial statements represent the contributions payable by the company to the defined contribution schemes during the financial year.

o Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated, and for which there is an expectation that payment will be made. Provisions for dilapidations are made where the liabilities can be measured with some certainty.

p Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is explained in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with the specific restrictions imposed by donors. The costs of administering such funds are charged against the specific fund in line with the donor agreements. The aim and use of each restricted fund is set out in note 15.

q Investments

Short term deposits maturing in less than one year are recorded within current assets. Where they mature in less than 3 months, they are considered cash equivalents within the Cash Flow Statement as they are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The expected maturity of these investments is shown in note 8.

Investments in subsidiaries are stated at cost.

r Creditors

A liability is recognised for the amount that the group anticipates it will pay to settle the debt or the amount it has received as an advance payment for goods or services it must provide.

s Accounting estimates and key judgements

Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying next financial year are as follows:

Provisions – the Group has made significant provision for potential tax liabilities and terminal grant payments. Management believe that these provisions are appropriate based on information currently available.

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable. Where the time value of money is material, provisions are discounted using a discount rate reflecting the current market assessment of the time value of money as represented by the interest rates available to the group when placing cash on deposit.

2 Income

a Income from donations

	2020 Grants and other donations USD 000s	2020 Gifts in kind donated services USD 000s	2020 Gifts in kind donated goods USD 000s	2020 Total USD 000s	2019 Total USD 000s
Amounts received directly from Save the Children member organisations					
Australia	13,920	354	—	14,274	21,918
Canada	17,982	460	—	18,442	24,601
Denmark	39,596	50	17	39,663	32,485
Finland	17,784	—	—	17,784	12,740
Germany	47,466	—	(14)	47,452	29,489
Hong Kong	9,133	—	(10)	9,123	9,408
Iceland	353	—	—	353	170
Indonesia	—	—	—	—	—
Italy	35,421	—	(99)	35,322	41,834
Japan	6,458	—	(19)	6,439	8,460
Korea	12,358	—	18	12,376	10,562
Mexico	—	—	—	—	(9)
Netherlands	30,291	—	556	30,857	24,159
New Zealand	2,268	—	—	2,268	1,495
Norway	91,960	189	(59)	92,090	89,809
Spain	20,552	—	120	20,672	15,105
Sweden	74,226	76	2,447	76,749	80,147
Switzerland	8,843	—	803	9,646	8,520
United Kingdom	183,865	1,745	3,232	188,842	200,512
United States	419,644	2,631	50,888	473,163	487,259
Total amounts received directly from members	1,032,120	5,505	57,890	1,095,515	1,098,664
Other amounts					
Save the Children Association – Core fund	16,490	—	—	16,490	16,683
Save the Children Association – Strategic Investment Fund	16,479	—	—	16,479	19,842
Save the Children Association – other funds	3,990	—	—	3,990	5,417
Professional services directly provided to Save the Children International	—	12,916	—	12,916	6,874
Direct grants and donations in Save the Children International country programmes	13,374	—	699	14,073	12,527
Other gifts in kind	—	—	627	627	1,398
Other grants and donations	1,279	—	—	1,279	3,972
Total other amounts	51,612	12,916	1,326	65,854	66,713
Total income from donations	1,083,732	18,421	59,216	1,161,369	1,165,377

b Income from major institutional donors

Income received directly from members includes amounts originating in grants (including gifts in kind) from the following major institutional donors, including governments and multi-national agencies.	2020 USD 000s	2019 USD 000s
United States Agency for International Development/ Office of Foreign Disaster Assistance (USA)	203,268	214,853
Global Fund to Fight AIDS, TB and Malaria	50,359	51,578
World Food Programme	49,073	68,741
Norwegian Agency for Development Cooperation/ Norway Ministry of Foreign Affairs	40,768	25,766
European Civil Protection and Humanitarian Aid Operations (European Commission)	38,298	30,513
Swedish International Development Cooperation Agency	37,424	39,709
Education cannot wait	33,736	20,128
International Cooperation and Development (European Commission)	30,199	34,463
United Nations Office for the Co-ordination of Humanitarian Affairs	24,673	27,328
Global Partnership for Education Fund – World Bank	22,177	3,917
Department for International Development (UK)	21,646	31,857
United Nations Children's Fund	19,037	25,489
United Nations Office for Project Services	18,927	15,377

In addition to these amounts, Save the Children members receive income from these donors for national programming and to fund other costs incurred. Total income received by Save the Children members from these donors is shown in the relevant members' financial statements. Income recorded in Save the Children International's financial statements and those of Save the Children members is subject to differences in the timing of income recognition.

c Gifts in kind

	2020 USD 000s	2019 USD 000s
Donated services		
Professional services	12,916	6,874
Services donated by members	5,505	8,470
Total donated services	18,421	15,344
Donated goods		
Food aid	37,879	54,800
Pharmaceutical supplies	13,885	6,584
Other supplies	7,452	4,484
Non-capital assets donated by members on transition	–	(100)
Total donated goods	59,216	65,768
Total gifts in kind	77,637	81,112

Save the Children International received benefits in the form of volunteers during 2020. The income from gifts in kind does not include a valuation for these benefits.

d Income from investments and short term deposits

	2020 USD 000s	2019 USD 000s
Interest on bank deposits	137	692
Interest and gains on deposits and financial instruments	877	2,259
Interest receivable from members	–	5
Other interest	10	3
Total income from investments	1,024	2,959

e Other income

	2020 USD 000s	2019 USD 000s
Sales of assets	2,809	59
Rental income	74	167
Other income	426	700
Total other income	3,309	926

3 Expenditure

a Analysis of total expenditure

	Staff costs USD 000s	Grants and payments to partners USD 000s	Gifts in kind USD 000s	Other direct costs USD 000s	Apportionment of support costs USD 000s	2020 Total USD 000s	2019 Total USD 000s
Expenditure on raising funds	7	169	–	18	3	197	3,731
Charitable activities							
Education	81,575	81,846	10,213	99,821	10,527	283,982	267,851
Livelihoods	31,370	16,621	11,027	89,464	8,816	157,298	182,772
Health	68,499	57,475	2,792	131,126	13,271	273,163	255,077
Child protection	60,911	27,434	843	54,025	5,697	148,910	155,419
Nutrition	45,983	15,618	30,246	89,298	8,886	190,031	213,889
HIV/AIDS	6,175	27,458	5,451	6,268	808	46,160	43,525
Child rights governance	6,546	7,019	–	3,969	463	17,997	18,557
Campaigning and advocacy	19,319	550	–	3,007	402	23,278	24,909
Growth and development of Save the Children	157	2,308	–	789	91	3,345	7,223
Support costs (c)	28,002	(78)	5,278	15,762	(48,964)	–	–
Total expenditure on charitable activities	348,537	236,251	65,850	493,529	(3)	1,144,164	1,169,222
Total expenditure	348,544	236,420	65,850	493,547	–	1,144,361	1,172,953
2019 total expenditure	371,833	221,068	65,863	514,189	–	1,172,953	

Expenditure on fundraising was incurred by one subsidiary entity in Colombia

A list of grants made to partner organisations with whom Save the Children International has worked during 2020 is available at www.savethechildren.net

b Contextual analysis of expenditure

	2020 USD 000s	2020 % of costs	2019 USD 000s	2019 % of costs
Development programmes	556,552	49%	614,701	52%
Humanitarian response	587,809	51%	558,252	48%
	1,144,361	100%	1,172,953	100%

c Support costs and the basis of their allocation

		2020 USD 000s	2019 USD 000s
Support category:	Basis of allocation:		
Leadership and governance	estimated time	5,857	5,840
Financial management	pro-rata by thematic programme expenditure	8,700	7,901
Information systems	pro-rata by thematic programme expenditure	6,081	4,471
Human resources	headcount	5,689	5,842
Facilities and administration	headcount	4,274	4,396
Total management and administration expenditure		30,601	28,450
Investment in system improvements	according to support category	13,473	20,344
Members' donated services	according to support category	1,550	4,467
Pro-bono professional services	according to support category	5,278	2,750
(Gains)/losses on foreign exchange	pro-rata by thematic programme expenditure	(1,938)	(565)
Total support costs		48,964	55,446

d Geographical analysis of expenditure

2020
USD 000s

2019
USD 000s

Afghanistan	27,106	29,361
Bangladesh	60,399	85,270
Cambodia	8,008	11,056
Central Asia	–	844
China	8,043	8,697
Democratic People's Republic of Korea	–	(125)
Indonesia	–	17,267
Laos	11,197	10,067
Myanmar	60,269	64,481
Nepal and Bhutan	32,153	34,343
Philippines	–	8,610
Sri Lanka	2,651	3,253
Thailand	5,225	5,354
Vietnam	8,554	8,943
Asia regional office – programme expenditure	5,315	876
Asia regional office – oversight and support	4,690	5,310
Asia	233,610	293,607
Albania	3,136	3,237
Armenia	244	851
Egypt	12,650	17,983
Northwest Balkans	5,447	5,048
Georgia	507	895
Occupied Palestinian Territory	12,312	9,226
Iraq	17,853	24,301
Jordan	–	(686)
Kosovo	2,138	2,923
Lebanon	18,220	17,703
Syria	31,653	29,308
Turkey	3,845	5,703
Ukraine	2,131	2,508
Yemen	71,217	79,233
Middle East and Eastern Europe regional office – programme expenditure	2,328	2,090
Middle East and Eastern Europe regional office – oversight and support	2,414	3,403
Middle East and Eastern Europe	186,095	203,726
Bolivia	5,269	5,578
Colombia	20,264	12,674
El Salvador	5,590	6,046
Guatemala	9,518	11,129
Haiti	3,876	3,810
Nicaragua	1,914	3,051
Peru & Ecuador	7,134	6,280
Venezuela	2,854	–
Latin America and Caribbean regional office – programme expenditure	3,128	7,012
Latin America and Caribbean regional office – oversight and support	1,273	1,449
Latin America and Caribbean	60,820	57,029

d Geographical analysis of expenditure (continued)

	2020 USD 000s	2019 USD 000s
Burkina Faso	14,568	7,993
Cote d'Ivoire	28,235	21,239
Democratic Republic of the Congo	35,923	33,282
Liberia	9,597	3,365
Mali	22,084	23,680
Niger	20,593	18,607
Nigeria	45,174	54,804
Senegal	10,151	5,035
Sierra Leone	4,347	4,432
West and Central Africa regional office – programme expenditure	4,648	1,246
West and Central Africa regional office – oversight and support	2,709	3,569
West and Central Africa	198,029	177,252
Ethiopia	69,852	77,958
Kenya	11,707	12,478
Malawi	15,777	21,004
Mozambique	26,088	40,988
Rwanda	8,353	6,392
Somalia	116,963	99,710
South Sudan	37,168	29,925
Sudan	31,250	12,829
Tanzania	12,035	12,316
Uganda	37,498	33,281
Zambia	5,622	4,629
Zimbabwe	12,071	8,667
East and Southern Africa regional office – programme support	3,495	5,118
East and Southern Africa regional office – oversight and support	4,314	4,326
East and Southern Africa	392,193	369,621
Addis Ababa	821	961
Brussels	–	1,217
Geneva	1,399	1,224
New York	478	639
Save the Children advocacy offices	2,698	4,041
Save the Children International centre	59,957	51,135
Humanitarian response	2,216	1,593
Global strategic investment programme	8,743	14,949
Total expenditure	1,144,361	1,172,953

Save the Children European Union was created as a separate legal entity and has taken on the advocacy activities so there are no longer any advocacy costs incurred by Save the Children International.

e *Net income for the year is stated after charging:*

2020	2019
USD 000s	USD 000s

Auditor's remuneration:

Audit of these financial statements	627	589
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Amounts receivable by the charity's auditor and its associates in respect of:

Audit of financial statements of subsidiaries of the charity	38	22
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Audit of financial statements of branches of the charity	139	111
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Other assurance services	388	329
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Lease rental payments	16,595	33,330
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Depreciation	3,521	1,411
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The decrease in the lease rentals this year is as a result of improved quality of operating lease information from our country offices.

f *Trustees' remuneration*

None of the trustees received any remuneration from the charity during 2020 (2019: nil). None of the trustees received any other benefits in kind during 2020 (2019:nil)

Expenses, including travel and subsistence were reimbursed to trustees or paid to third parties on behalf of trustees as follows: 14 trustees totalling USD 9,449 (2019: 14 trustees totalling USD 54,409).

Save the Children International purchased trustee indemnity insurance to the value of GBP 10 million (USD 13 million) which covers the trustees or other officers of the charity. These insurances provide cover:

- to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
- to indemnify the trustees or other officers against legal liability for inadvertent errors or omissions on their part.

4 Staff costs

a *Staff costs*

2020	2019
USD 000s	USD 000s

Wages and salaries	272,872	288,656
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Social security costs and payroll taxes	7,780	8,239
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Pension contributions	9,144	8,366
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Terminal grants	13,825	15,365
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Benefits in kind	23,246	27,602
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Other staff costs	16,172	15,135
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Total direct staff costs	343,039	363,363
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Donated staff costs from members	5,505	8,470
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Total staff costs	348,544	371,833
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Save the Children International contributes to a defined contribution scheme for staff at the centre, a group personal pension (GPP) operated on a salary sacrifice basis. Included in the pension costs above are employers' contributions to this scheme of USD 1,648,728 (2019: USD 1,614,827). Employer pension contributions made for employees under this scheme, whose emoluments are in excess of USD 90,000 were USD 294,332 (2019: USD 351,327). There were no outstanding or prepaid contributions at year end.

Save the Children International contributes to a long term savings plan for programme staff on international contracts. Employers' contributions charged to the consolidated statement of financial activities were USD 3,154,679 (2019: USD 3,381,790).

Donated staff costs from members represents secondees from members provided for no consideration. The value of these secondees is included within gifts in kind in note 2 (c).

b Average number of Save the Children International employees calculated on a full-time equivalent basis

	Country offices	Regional offices	Advocacy offices	Centre	2020 Total	2019 Total
Charitable activities	15,189	271	30	423	15,913	16,915
Fundraising	7	–	–	–	7	151
	15,196	271	30	423	15,920	17,066

Full time equivalent employees have fallen in 2020 as a result of Philippines and Indonesia country offices becoming members part way through 2019.

c The table below shows the number of staff (including secondees from members) with emoluments falling in the following ranges. Emoluments include salary, taxable benefits in kind and other payments to employees but not employer pension contributions.

For members of staff working in our international programmes, emoluments may include accommodation and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff in the International Non-Governmental Organisation market. Employees based in Save the Children International's centre office receive salary amounts in GBP and therefore foreign exchange movements between GBP and USD will impact comparisons between financial years.

Band (USD)	2020 Gross salaries	2020 Total Emoluments (including other benefits)	2019 Gross salaries	2019 Total Emoluments (including other benefits)
0 – 15,000	14,852	13,926	16,122	16,160
15,001 – 30,000	2,599	3,134	3,618	3,946
30,001 – 45,000	731	881	1,017	1,060
45,001 – 60,000	434	452	473	453
60,001 – 75,000	244	294	284	281
75,001 – 90,000	122	173	155	178
90,001 – 105,000	59	81	73	97
105,001 – 120,000	16	51	35	57
120,001 – 135,000	12	31	19	31
135,001 – 150,000	8	24	9	29
150,001 – 165,000	2	15	5	13
165,001 – 180,000	5	9	9	11
180,001 – 195,000	2	8	5	9
195,001 – 210,000	1	1	3	6
210,001 – 225,000	1	3	1	2
225,001 – 240,000	1	1	–	1
240,001 – 255,000	–	3	–	1
255,001 – 270,000	–	1	–	1
270,001 – 285,000	–	1	–	2
285,001 – 300,000	1	–	1	–
300,001 – 315,000	–	–	–	–
315,001 – 330,000	–	1	–	1

d Remuneration of key management personnel

The trustees delegate the day to day running of the organisation to the Senior Leadership Team who are considered to be the key management personnel. Remuneration for members of the Senior Leadership Team for the year ended 31 December 2020 are detailed below

Position	No of employees	Actual gross remuneration 2020 USD	Full time equivalent salary 2020 USD	No of employees 2019	Full time equivalent salary 2019 USD
Chief Executive Officer		250,553	274,897		293,234
International Programmes Managing Director		219,949	235,199		210,559
Chief Financial Officer (until 21 June 2020)		127,657	202,509		207,283
Chief Financial Officer (from 22 June 2020)		86,832	174,612		–
Other Senior Leadership Team members	8	1,056,164	1,178,244	10	1,496,788
Total remuneration for key management personnel		1,741,155			

In addition to the gross salaries, USD 276,406 (2019: USD 338,761) was paid for employer's National Insurance and pension contributions in respect of the above individuals. During the year we introduced a new Chief Financial Officer and a Global Campaign, Advocacy and Communications Director, the details of which can be found in the administrative details section in the trustees report.

Some key management personnel have volunteered to take a cut in their gross salary in recognition of the financial challenges the organisation was experiencing at the start of the pandemic. Differences between full-time equivalent remuneration and actual gross remuneration arise as a result of voluntary pay reductions taken for part of the reporting period following the onset of the pandemic and individuals joining/leaving Save the Children International.

5 Tangible fixed assets

Group	Computer software systems USD 000s	Furniture, fittings and equipment USD 000s	Motor vehicles USD 000s	Leasehold property USD 000s	Freehold property USD 000s	Total USD 000s
Cost						
Brought forward at 1 January 2020	19,477	1,020	7,461	944	2,668	31,570
Additions	9,543	(11)	700	39	–	10,271
Disposals	–	–	(382)	–	–	(382)
Carried forward at 31 December 2020	29,020	1,009	7,779	983	2,668	41,459
Depreciation						
Brought forward at 1 January 2020	6,379	817	6,175	765	1,280	15,416
Charge for the financial year	3,531	78	461	68	(617)	3,521
Disposals	–	–	(391)	–	–	(391)
Carried forward at 31 December 2020	9,910	895	6,245	833	663	18,546
Net book value						
31 December 2020	19,110	114	1,534	150	2,005	22,913
31 December 2019	13,098	203	1,286	179	1,388	16,154

<i>Charity</i>	Computer software systems USD 000s	Furniture, fittings and equipment USD 000s	Motor vehicles USD 000s	Leasehold property USD 000s	Freehold property USD 000s	Total USD 000s
Cost						
Brought forward at 1 January 2020	19,383	1,025	7,093	944	2,667	31,112
Additions	9,543	(11)	485	39	–	10,056
Disposals	–	–	(382)	–	–	(382)
Carried forward at 31 December 2020	28,926	1,014	7,196	983	2,667	40,786
Depreciation						
Brought forward at 1 January 2020	6,286	812	5,842	765	1,280	14,985
Charge for the financial year	3,531	78	447	68	(617)	3,507
Disposals	–	–	(391)	–	–	(391)
Carried forward at 31 December 2020	9,817	890	5,898	833	663	18,101
Net book value						
31 December 2020	19,109	124	1,298	150	2,004	22,685
31 December 2019	13,097	213	1,251	179	1,387	16,127

All fixed assets are held for direct charitable purposes.

Leasehold property amounts all relate to long-term leases.

6 Stock

	2020 USD 000s Group	2020 USD 000s Charity	2019 USD 000s Group	2019 USD 000s Charity
<i>Undistributed gifts in kind</i>				
Food aid	3,682	3,682	4,366	4,366
Pharmaceutical and medical goods	1,993	2,001	1,764	1,750
Other goods	1,474	1,352	521	504
Total undistributed gifts in kind	7,149	7,035	6,651	6,620
<i>Other stocks</i>				
Food aid	195	195	521	521
Pharmaceutical and medical goods	6,204	6,130	5,384	4,037
Other goods	4,331	3,871	4,625	3,451
Total other stocks	10,730	10,196	10,530	8,009
Total stock	17,879	17,231	17,181	14,629

7 Debtors

	2020 USD 000s Group	2020 USD 000s Charity	2019 USD 000s Group	2019 USD 000s Charity
Amounts due from Save the Children members	112,259	111,878	125,266	124,345
Amounts due from subsidiary undertakings	–	(328)	–	(1,015)
Other debtors	2,892	1,655	10,467	8,534
Prepayments and accrued income	10,746	10,286	10,043	9,861
	125,897	123,491	145,776	141,725

8 Investments

	2020 USD 000s Group	2020 USD 000s Charity	2019 USD 000s Group	2019 USD 000s Charity
Short Term deposits	82,667	82,667	75,509	75,509
	82,667	82,667	75,509	75,509

USD 25,000,000 of short term deposits are in money market funds which are callable on demand. The balance is held in short term deposits which matured less than 3 months after the year end.

9 Cash at bank and in hand

	2020 USD 000s Group	2020 USD 000s Charity	2019 USD 000s Group	2019 USD 000s Charity
Cash held at centre	132,611	132,611	64,002	64,002
Cash held in overseas offices	23,850	22,832	42,475	39,577
	156,461	155,443	106,477	103,579

10 Creditors due within one year

	2020 USD 000s Group	2020 USD 000s Charity	2019 USD 000s Group	2019 USD 000s Charity
Amounts due to Save the Children Association	2,227	2,227	2,146	2,146
Amounts payable to Save the Children members	189,825	189,825	182,586	180,566
Trade creditors	7,598	7,429	3,559	3,546
Financial instrument liability	80	80	353	353
Other short term liabilities	10,443	9,967	4,694	5,886
Accruals and deferred income	52,873	51,044	49,406	49,000
	263,046	260,572	242,744	241,497

Amounts payable to Save the Children members include amounts advanced to Save the Children International to fund working capital.

11 Provisions

	Balance as at 1 January 2020 USD 000s	Arising in the financial year USD 000s	Utilised in the financial year USD 000s	Provisions released USD 000s	Balance as at 31 December 2020 USD 000s
Terminal grant provisions	38,043	76,985	(74,180)	–	40,848
Property dilapidations	506	83	(30)	–	559
Operating lease provision	212	–	(100)	–	112
Provision for tax liability	6,085	4,238	(2,198)	(1,503)	6,622
Other provisions	4,824	8,831	(9,049)	–	4,606
	49,670	90,137	(85,557)	(1,503)	52,747

Total provisions held within the Save the Children International charity only were USD 50,747,000.

Terminal grant provisions are contractual amounts due to employees in country and regional offices when leaving employment with Save the Children International.

Property dilapidations represent the estimated costs of payments required to make good the condition of properties on the termination of leases.

The operating lease provision represents the value of lease inducements (rent free period) received by Save the Children International. It will be utilised over the term of the lease.

The tax provision represents estimates of the amounts of liabilities for employee taxes in country and regional offices.

Other provisions represent provisions for pending legal cases or provisions required to be recognised which do not fit into the specific categories listed above.

12 Analysis of net assets between funds

	2020 Unrestricted USD 000s	2020 Restricted USD 000s	2020 Total USD 000s
Fixed assets	22,913	–	22,913
Current assets	329,615	53,289	382,904
Current liabilities	(263,046)	–	(263,046)
Provisions	(52,747)	–	(52,747)
	36,735	53,289	90,024

13 Commitments under operating leases

The total future minimum lease payments and current year expenditure on non-cancellable operating leases:

	2020 Land and buildings USD 000s	2020 Other leases USD 000s	2019 Land and buildings USD 000s	2019 Other leases USD 000s
lease payments recognised as current year expense	15,903	692	32,273	1,057
lease payments due within one year	12,600	725	12,426	387
lease payments due between one and five years	8,104	201	13,767	1,096
lease payments due after five years	661	25	4,005	29
	21,365	951	30,198	1,512

14 Financial commitments

a At 31 December 2020, Save the Children International has committed the following amounts in grants to partners subject to satisfactory performance. These amounts will form part of the grants allocated in future years. These amounts are fully funded by Save the Children members.

	Balance as at 1 January 2020 USD 000s	Charged to SOFA in 2020 USD 000s	New commitments USD 000s	Balance as at 31 December 2020 USD 000s
Commitments to partner organisations	188,556	(236,420)	277,113	229,249

	2020 USD 000s	2019 USD 000s
Commitments to partner organisations consist of amounts falling due:		
within one year	156,879	143,331
after one year	72,370	45,225
	229,249	188,556

b Save the Children International has entered into a number of long-term contracts for the supply of services all of which are cancellable.

15 Consolidated statement of funds

	Balance as at 1 January 2020 USD 000s	Income USD 000s	Expenditure USD 000s	Transfers USD 000s	Balance as at 31 December 2020 USD 000s
<i>Unrestricted funds</i>					
General funds	427	17,458	(14,192)	(1,942)	1,751
Fixed asset fund	15,926	2,684	(2,937)	9,512	25,185
International programming reserve	6,599	–	–	1,900	8,499
Closure reserve	1,300	–	–	–	1,300
Designated funds	23,825	2,684	(2,937)	11,412	34,984
Total unrestricted funds	24,252	20,142	(17,129)	9,470	36,735
<i>Restricted funds</i>					
International programme grants	35,378	1,041,829	(1,034,476)	(794)	41,937
International programme operational fund	7,338	70,308	(64,970)	(3,260)	9,416
Strategic Investment Fund	–	19,320	(13,771)	(5,416)	133
Donated professional services	–	11,537	(11,537)	–	–
Member growth fund	1,715	2,566	(2,478)	–	1,803
Total restricted funds	44,431	1,145,560	(1,127,232)	(9,470)	53,289
Total funds	68,683	1,165,702	(1,144,361)	–	90,024

General funds represent the amounts that trustees are free to use in accordance with Save the Children International's charitable objectives.

The fixed asset fund represents the net book value of tangible fixed assets and proceeds from the sale of fixed assets to be used for the replacement of fixed assets in 2021. The value of fixed assets acquired out of general funds, the international programme operational fund, the international programme investment fund and the fixed asset replacement fund are transferred to the fixed asset fund.

Use of the international programming reserve is governed by a legal agreement between Save the Children International and international programming members and is principally intended to cover any material foreseen or unforeseen programming liabilities. As well as cash contributions from members of USD 8.8million, members have committed an additional USD 6.2million in the form of standby letters of credit which give the charity unconditional and irrevocable access on demand to funds in the event of the use of reserves being required. With the agreement of the contributing members, a portion of the contributions was transferred to the strategic investment fund in 2018. This has been partially replenished in 2019 and in 2020, giving a closing balance of USD 8.5million as illustrated above. It is intended that the fund will be fully restored to USD 8.8million by the end of 2021.

The closure reserve represents the funds set aside to provide for the costs in the event of the closure of the non-programming functions of the charity.

International programme grants represent funds received from members for development and humanitarian projects.

The international programme operational fund represents contributions received from members for the running costs of Save the Children International's international programme work, not directly attributable to projects.

The Strategic investment Fund represents contributions received from members for costs related to investments in Save the Children International's strategic priorities.

Donated professional services represents the value of services provided directly to Save the Children International free of charge.

The member growth fund represents funds received to support the continued growth and development of members.

16 Subsidiary companies

Save the Children International had eight wholly-owned subsidiary entities at 31 December 2020:

a *The Save the Children Alliance Trading Limited* is incorporated in England and Wales (company number 3744223) as a company limited by shares. It was made a dormant company in 2007; its principal activities were the provision of consultancy services to Save the Children International and commercial use of the Save the Children name and logo. The charity holds the entire issued share capital. The cost of this investment is £1.

Save the Children Asia Regional Office Limited is a Singapore incorporated public company limited by guarantee with registered Company No: 201024335C and registered as a charity under the Singapore Charities Act. Save the Children International is the sole member of *Save the Children Asia Regional Office Limited*. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	1,024	1,112
Liabilities	(799)	(986)
Total net assets	225	126
Income	10,190	6,857
Expenditure	(10,042)	(6,857)
Net incoming resources	148	–

c *Shpetoni Femijet (Save the Children)* is incorporated as a foundation under Albanian law. The board members are all employees of Save the Children International and are responsible for appointing other board members of *Shpetoni Femijet*. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	604	493
Liabilities	(576)	(469)
Total net assets	28	24
Income	3,138	3,237
Expenditure	(3,136)	(3,238)
Net incoming resources	2	(1)

d *Save the Children International (Kenya)* is incorporated in Kenya under the Non-Governmental Organisations Co-ordination Act. Save the Children International is the sole corporate member of *Save the Children International (Kenya)*. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	2,302	1,524
Liabilities	(2,048)	(1,533)
Total net assets	254	(9)
Income	12,005	12,479
Expenditure	(11,708)	(12,477)
Net incoming resources	297	(2)

16 Subsidiary companies (continued)

e *Save the Children International (Zambia)* is incorporated in Zambia under the Societies Act with registered no. ORS/102/35/3906. The members of Save the Children (Zambia) are Save the Children International and the International Programming Director of Save the Children International. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	217	835
Liabilities	(161)	(851)
Total net assets	56	(16)
Income	5,642	4,629
Expenditure	(5,622)	(4,629)
Net incoming resources	20	–

f *Save the Children International (US Global Advocacy Office), Inc.* was incorporated in Delaware, USA as an exempt non-profit organisation. Save the Children International is sole member with right to remove and appoint director / officer(s). The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	167	32
Liabilities	(167)	(32)
Total net assets	0	–
Income	478	639
Expenditure	(479)	(639)
Net incoming resources	(1)	–

g *Fundación Save the Children Colombia* (registration number S0046070) was incorporated in Colombia as a Foundation (a type of private, not-for-profit entity). Save the Children International is the sole member (a corporate member). The company's net assets, liabilities, income and expenditure for the year ended 31 December 2020 were as follows:

	2020 USD 000s	2019 USD 000s
Assets	1,312	2,391
Liabilities	(1,110)	(2,395)
Total net assets	202	(4)
Income	20,524	12,674
Expenditure	(20,265)	(12,674)
Net incoming resources	259	–

16 Subsidiary companies (continued)

h *Asociacion Civil SCI Venezuela* was registered at the Public Registry of the First Circuit of the Baruta Municipality, Miranda State under number 15 folio 86 of Volume 24 of the Transcription Protocol incorporated on 8 October 2019.

	2020 USD 000s	2019 USD 000s
Assets	6	–
Liabilities	98	–
Total net assets	104	–
Income	(2,929)	–
Expenditure	2,824	–
Net incoming resources	(105)	–

17 Related party transactions

In accordance with the provisions of section 33 of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Related Party Disclosures, the related party transactions entered into by Save the Children International are detailed below. All transactions were in the normal course of business.

a *Save the Children Association*

Save the Children International has been controlled throughout the financial year by its ultimate parent undertaking Save the Children Association, a Swiss association formed pursuant to Articles 60–79 of the Swiss Civil Code. No other group financial statements include the results of the charity.

At the end of 2020 Save the Children Association comprised 27 members and 3 associate members. Members and associate members are each separate and independent legal entities incorporated under laws of their home country and are bound together as members through: Save the Children Association Bylaws, a Trademark Licence Agreement between Save the Children Association and each member, and an All Member Agreement, entered into in the first quarter of 2011 to implement an international programming strategy.

The boards of Save the Children Association and Save the Children International have identical membership and both are managed on a day-to-day basis by the same leadership team employed by Save the Children International. During the financial year, the following types of transactions took place between Save the Children International and Save the Children Association: grants of USD 36,959,327 (2019: USD 41,941,843) were received by Save the Children International from Save the Children Association.

At the year end, the group balances with Save the Children Association were:

	2020 USD 000s	2019 USD 000s
Amounts due from / (payable to) the Save the Children Association	(2,227)	(2,146)

17 Related party transactions (continued)

b Save the Children members

During the financial year the following types of transactions took place between Save the Children International and members (primarily the 17 international programming members):

- i Grant income of USD 1,032,112,000 (2019: USD 1,027,542,000) was received from the members for international programming activities.
- ii Donated services of USD 5,505,000 (2019: USD 7,988,000) were received from members.
- iii Donated goods of USD 57,890,000 (2019: USD 63,134,000) were received from members.
- iv Contributions to the charity's working capital of USD 35,181,000 (2019: USD 35,400,425) have been made by, and are repayable to, members.
- v Donations were received by Save the Children International on behalf of Save the Children members.
The sums received are remitted to the relevant member.
- vi Additional commitments have been made by the members to Save the Children International as set out in note 18.
No profit or loss has arisen on these transactions.

At the year end, the group's balances with members were:

	2020 Amounts receivable USD 000s	2020 Amounts payable USD 000s	2020 Net balance USD 000s	2019 Net balance USD 000s
Save the Children member organisation				
Australia	630	(2,415)	(1,785)	132
Canada	2,095	(3,792)	(1,697)	(1,949)
Denmark	4,810	(6,424)	(1,614)	(488)
European Union	279	–	279	422
Finland	1,566	(1,733)	(167)	(2,341)
Germany	6,551	(9,902)	(3,351)	826
Hong Kong	1,487	(1,570)	(83)	(304)
India	–	(68)	(68)	244
Indonesia	–	(232)	(232)	1,355
Italy	1,975	(6,474)	(4,499)	(3,203)
Japan	2,981	(1,246)	1,735	1,329
Jordan	–	(12)	(12)	120
Korea	520	(2,354)	(1,834)	(3,262)
Mexico	–	(101)	(101)	32
Netherlands	3,982	(5,484)	(1,502)	(3,507)
New Zealand	80	(328)	(248)	(546)
Norway	8,177	(17,387)	(9,210)	(13,365)
Phillipines	1,043	–	1,043	(237)
Spain	1,739	(2,973)	(1,234)	(1,133)
South Africa	293	–	293	14
Eswatini	–	–	–	(37)
Sweden	6,970	(14,350)	(7,380)	(7,705)
Switzerland	690	(2,358)	(1,668)	(1,785)
United Kingdom	18,210	(37,895)	(19,685)	(14,803)
United States	48,181	(72,727)	(24,546)	(7,130)
	112,259	(189,825)	(77,566)	(57,321)

18 Contingent assets

	2020 International programming reserve commitments (a) USD 000s	2020 International programming closure indemnity (b) USD 000s	2020 Total contingent assets USD 000s	2019 Total contingent assets USD 000s
Save the Children member organisation				
Australia	–	261	261	445
Canada	–	366	366	485
Denmark	–	776	776	636
Finland	–	351	351	223
Germany	–	935	935	574
Hong Kong	–	171	171	157
Italy	–	681	681	769
Japan	–	124	124	144
Korea	–	224	224	227
Netherlands	–	597	597	468
New Zealand	–	42	42	27
Norway	–	1,628	1,628	1,825
Spain	–	348	348	261
Sweden	–	1,441	1,441	1,550
Switzerland	–	177	177	151
United Kingdom	3,112	3,461	6,573	6,870
United States	3,100	8,417	11,517	11,400
	6,212	20,000	26,212	26,212

- (a) Members have made cash contributions of USD 8,788,000 to enable Save the Children International to meet its requirements to hold free reserves in accordance with the reserves policy agreed by the trustees. In addition, members provided a further USD 6,212,000 during 2016 in the form of standby letters of credit which give the charity unconditional and irrevocable access on demand to funds in the event of the use of reserves being required (see note 15).
- (b) The costs associated with the closure/wind-down of the charity's international programming work are covered by member indemnities up to a maximum of USD 20 million.

19 Contingent liabilities

Save the Children International is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on Save the Children International's financial position, changes in net assets, or cash flow.

Save the Children International receives funding from members for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by Save the Children International, in management's opinion the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of Save the Children International.

20 Subsequent events

For the reporting date 31 December 2020, there are no subsequent events which have any impact on the recognition and measurement of assets and liabilities.

Save the Children International

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