

**Save the Children
International**

Trustees' report,
strategic report and
financial statements for

2021



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Save the Children International **Trustees' report, strategic report and** **financial statements for 2021**

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 SCI and its trading subsidiaries for the year ended 31 December 2021.

Reflections from the Chair of the Board

After my first full year as Board Chair, I am pleased to report on our performance in what proved to be a rapidly changing and hugely challenging year.

We continued to anticipate and respond to threats from COVID, conflict and climate change and their devastating effect on children and their families throughout the world. Hundreds of millions of children remained out of school impacting their immediate safety, access to food and health services. Extreme poverty continued to rise, and inequality gaps widened. Over 50 countries are no longer on track to achieve their child survival Sustainable Development Goals.

Against this backdrop of critical need and ongoing operational challenges, Save the Children International, under the excellent leadership of CEO Inger Ashing, and working with our partners and communities directly reached 38 million children in 2021.

Our ongoing humanitarian work continued to help children stay safe and continue their education in places like **Yemen** and **Syria**. Combined, we reached 17 million children in 78 emergencies around the world.

In 2021, we also undertook an inclusive global process to create a new three-year strategy. This included the SCA/SCI Board, Country Directors as well as the voices from children we support. The movement aligned behind and agreed this ambitious and efficient strategy, to amplify our impact for hundreds of millions more children.

Looking forward to 2022, as the war in the **Ukraine** continues, Save the Children rapidly registered our organization in **Poland** with a sizeable response grounded in local partnerships. We've also significantly increased our presence in Ukraine's neighboring countries as well as across Europe, leveraging our ability to respond with speed and scale.

Finally, I would like to thank Joon Oh from Korea and Tamara Ingram from the UK, who are stepping down from the SCA/SCI Board of Trustees. We greatly appreciate their tremendous contribution to Save the Children the past three years. I would also like to extend a warm welcome to our new trustees Rolake Akinkugbe-Filani, Tsitsi Chawatama, Deepak Kapoor, Larry Kamener and Teresa Mbagaya.

At this time of escalating need, I am honoured to help support and shape this incredible global organisation, building on over 100 years of expertise to create a more impactful and sustainable future for children everywhere. Save the Children was founded in similarly unstable times. Our founder, Eglantyne Jebb, was driven by the belief that all children – whoever they are, wherever they are – have the right to a healthy, happy, fulfilling life.

Angela Ahrendts

Angela Ahrendts DBE

Chair of the Board of Trustees

Letter from the CEO

After the full impact of COVID-19 was felt around the world in 2020, many commentators predicted that life would return to 'a new normal' in 2021. How far from the truth that proved to be. Save the Children has been fighting for children's rights for 102 years, and 2021 was among our most challenging yet. New waves of the disease continued to wreak havoc on the lives of the most vulnerable children and their families around the world, devastating health, livelihoods, learning opportunities, safety and nutrition.

The impact was more severe in low-income countries. The numbers are staggering. In November 2021, 63% of the world's population had received at least one dose of the COVID-19 vaccine compared to just 12% for people living in low-income countries. One billion children did not have basic healthcare. One billion children were living in deep poverty. 450 million children were not learning. And 450 million children were growing up with conflict.

Working with our dedicated partners, community networks and most importantly, children, in 61 countries around the world, in 2021 we reached almost 164 million children, providing health and nutrition support, helping children get back into learning, and protecting them from violence and abuse.

Focusing on our mission to ensure that all children survive, learn and are protected, in addition to the immediate effects of the pandemic, our strategic emphasis was on supporting children affected by conflict and climate change. We continued to operate in **Afghanistan**, supporting children and women in particular, throughout a harrowing time in that country's long history of conflict. And we were active in some of the most challenging places for children – **Syria, Yemen**, on the borders of **Venezuela** – in fact, a total of 78 humanitarian responses around the globe.

As an organisation, we continued to build on the digital solutions, remote collaboration and local networks developed in 2020. We launched a new Workplace Global Diversity, Equity and Inclusion Policy, and achieved over 60% female participation in Talent Development Programmes. We are proud that over 50% of our Country Directors were women in 2021.

2021 was also a difficult year for Save the Children staff. We lost seven colleagues around the world – in heart breaking incidents ranging from road traffic accidents to an attack by the **Myanmar** military, which killed two of our staff. Our condolences go to the friends and families of all those killed and we continue our work in their honour.

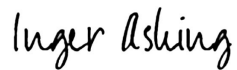
As we look to 2022, it's clear that we increasingly operate in a volatile, uncertain and complex world. At the time of writing this report, more than 5.5 million people have now fled the war in **Ukraine** to neighbouring countries, and almost half of them are children. A child from Ukraine has become a refugee almost every single second of the war. Save the Children is strategically placed to respond to children at all levels of the crisis. With a growing presence in neighbouring countries as well as in destination countries in Europe and beyond, there is great power in bringing domestic and international responses together.

We must not lose sight of our supporters either, who have stuck with us during challenging economic times throughout the Covid-19 pandemic, and now with the war in Ukraine. We launched an ambitious \$120 million response plan and have likely exceeded this target as I write this letter. Using our new, flexible Children's Emergency Fund donor proposition, we will be able to strategically allocate funding to wherever it is needed most, including to countries experiencing the ripple effects of this crisis.

This war has demonstrated why it is so important that we are principled in our response, maintaining our impartiality. The only "side" that we take is the side of children's rights. We must continue to remind world leaders of crises that are impacting children elsewhere in the world. In this moment of unprecedented support to Ukraine, we must also recognise that the conflict is causing suffering far beyond its borders, including through the twin impact of rising food and energy costs. This is exacerbating pre-existing hunger crises for many countries, including in the Horn of Africa, the Sahel, and the Middle East.

The conflicts in Syria and Yemen are entering their eleventh and seventh years, respectively. The climate crisis is having an impact on the lives of children and their families worldwide, while the global hunger crisis is putting millions of children on the brink. In times of crisis, when children are their most vulnerable, Save the Children is always there to deliver humanitarian aid and ensure children stay safe.

For us, child-centred programming, based on evidence of what works, supported by well-trained, dedicated and committed people, is the key to maximising impact. Save the Children continues to offer this approach worldwide, and I am confident that working together, we are in a good place to continue making a difference for children who desperately need us.

A handwritten signature in black ink that reads "Inger Ashing". The script is cursive and fluid, with the first name "Inger" and last name "Ashing" clearly distinguishable.

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 movement is made up of Save the Children Association, its members and Save the Children International. The Save the Children Association comprises 30 members (27 full members and 3 associate members¹) as well as SCI. The members are detailed on page 35 under administrative details.

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.

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 SCI's strategic activities and finances in 2021.

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.

Our impact

In 2021, children faced the triple threat of COVID-19, conflict and the climate crisis – which threatened to reverse decades of hard-earned progress for children. These issues impact the poorest, the most vulnerable and the hardest to reach: refugees, girls and children with disabilities.

In 2021, we placed a particular emphasis on supporting children impacted by the COVID-19 pandemic to safely return to school and reconnect with learning, on strengthening safety nets and resilience for children and their families, as well as on addressing humanitarian crises.

While we worked in 61 countries, we set particular targets in 15 priority countries², where we believe our opportunity for impact is greatest. Targets were set at the start of the year by our thematic teams based on previous year's figures and agreed by our Management Committee. We continued to adapt not only to new realities of remote working, but also to the need to ensure diversity and equity in our organisation and to shift more power to children and local actors. Across our global programming, advocacy and campaigning, in 2021 we:

- Directly reached 38 million children through our work and the work of our partners.
- Responded to 78 emergencies in 57 countries, reaching 28.5 million people including 16.7 million children.
- Accomplished 165 advocacy and campaign achievements across Save the Children, of which 22 were secured with children's participation.

In 2021, the number of children we reached declined by 5% compared to the record-breaking year of 2020, but higher than other years. In 2020, our reach was unusually high as there was particular growth in mass communication work to raise awareness on COVID-19 prevention and vaccination. This declined in volume in 2021, and we also undertook more 'integrated' programming, meaning that an increased number of the children we reached were supported with activities addressing multiple needs and rights.

Ensuring a healthy start in life

Throughout 2021, 90% of all countries experienced significant disruptions of essential child and maternal services due to the impact of COVID-19, with stocks of vaccines and medicines often running out, and overburdened health providers. Over half of all families lacked access to basic health services. As a result, since May 2020 it's estimated there were an additional 168,000 child deaths, with an additional 9.3 million children suffering from short-term, acute malnutrition and 2.6 million children suffering from long-term, chronic malnutrition.

Vaccine inequity persists – at the end of 2021, 63% of the world's population had received at least one dose of COVID-19 vaccine, compared to only 12% for people living in low-income countries. We focused our prevention and support efforts on local contexts, training almost 38,000 community mobilisers in our highest priority countries. Our 'Centre for Utilising Behavioural Insights for Children' (CUBIC) developed and promoted ads and messages on social and other media that led over six million social media users to access national vaccination registration sites.

2

Our 15 priority countries include: Afghanistan, Bangladesh, Burkina Faso, Cambodia, Colombia, Ethiopia, Malawi, Myanmar, Nigeria, oPT, Somalia, South Sudan, Syria, Uganda and Yemen.

It also developed a behaviour-change tool called 'The Little Jab Book' that was translated into five languages. We supported efforts in many countries to encourage vaccinations and mobilise communities and worked directly with Ministries of Health in low-coverage countries like **Bangladesh**, **DRC** and **Ethiopia**. We worked with global partners including the World Health Organisation (WHO) and COVAX in vaccination planning and established a vaccine group across six of the largest International Non-Governmental Organisation to advocate and implement delivery.

In 2021, we supported over 37,000 Community Health Workers (CHWs) globally to help prevent the transmission of COVID-19 and mitigate its impact on child survival. However, in our 15 highest priority countries, our support for 25,000 CHWs fell short of our 35,000 target, largely due to massive political unrest and conflict in countries such as **Myanmar**, **Yemen** and **Ethiopia**.

We directly reached nearly 12 million children and over two million women in 2021 with nutrition-focused interventions in 40 countries worldwide. We published a report called 'Nutrition Critical: Why Nutrition is Pivotal for Children's Futures,' which outlined five nutrition-critical priorities to drive progress for children. We also advocated for better nutrition practices and policies at national levels. In our 15 highest priority countries, increased humanitarian needs led to us treating over 413,000 children for acute malnutrition, tragically almost three times the target number we had expected. Save the Children also committed \$563 million between 2022–24 at the Nutrition for Growth (N4G) Summit in an effort to transform the way the world tackles acute malnutrition.

We also invested significant time in building up research and evidence in 2021. We helped better link our humanitarian and development sectors, which included the publication of the report 'Bridging the WASH (water, sanitation and hygiene) Humanitarian-Development Divide: Building a Sustainable Reality'. Mid-year we piloted research projects in **Somalia** and **Bangladesh** on the impact COVID-19. This focused on how the pandemic affected access to maternal and child services in humanitarian contexts and the impact of mental health and psychosocial programming on the health and wellbeing of children and their communities.

Our Emergency Health Unit (EHU) has been at the forefront of Save the Children's COVID-19 response and was instrumental in helping children and their families survive. In 2021, the EHU worked with 11 countries in four regions and reached more than one million people including almost 500,000 children. Services included primary and secondary healthcare, community sensitisation and training, and the training of over 3,000 Community Health Workers.

Delivering education and learning for all

Hundreds of millions of children continued to wait for education to resume in countries where schools had not reopened since March 2020. In the midst of the continuing pandemic, we gave priority to enable a safe return to school where they reopened; provided alternative learning opportunities where schools remained closed, and continued our work in those areas affected by conflict and crises driven by climate change. Each approach adopted our best practice and evidence-based strategies to education, teacher development, school safety and early childhood care and development.

In our 15 prioritised countries, we supported 1.24 million children with distance learning and blended or accelerated learning support. This was 33% over the target of 933,000, and below the 1.39 million children reached in 2020. This was because our target was set with an expectation that schools would re-open earlier in 2021 than they actually did; as they in fact remained closed for longer than originally anticipated, our interventions also continued for longer than had been expected in some countries. Innovation was key. In **Malawi**, our distance learning strategy in poor rural communities where internet access is limited included interactive radio instruction. In **Ethiopia**, we supported distance learning based on TV educational programmes combined with direct teacher follow-up in communities. We also developed a new phone-based method for remotely assessing children's learning progress, which will help build evidence on best practice and effectiveness for the future.

As face-to-face teaching and learning became possible outside school, we piloted catch-up learning. In **Uganda**, community learning facilitators were recruited and trained to provide children with fun and informal teaching in Catch-up Clubs outside of the normal school setting or hours. The Clubs also proved a useful hub to provide wrap around support of cash assistance to families in need and referral of vulnerable children to our trained protection workers.

Where schools were reopened by governments, we supported COVID-19 related safety measures including the provision of handwashing facilities. We provided over 56,000 teachers and community learning facilitators with training and other support such as coaching and learning circles to enable them to strengthen their teaching practice. Furthermore, psychosocial and wellbeing support was provided to teachers to handle the challenging context.

Ensuring children were protected from harm

Protecting children is at the heart of what we do at Save the Children. In 2021, conflicts in **Afghanistan**, **Yemen** and **Ethiopia**, among others, placed children at direct risk and exposed them to grave violations of their rights. COVID-19 also caused widespread and varied indirect risks, ranging from putting an estimated additional 13 million girls at risk of early forced marriage to causing abnormal levels of stress and mental health problems for children.

This year, a new 'Centrality of Protection' policy and procedure was agreed, that set out our commitment to uphold international human rights and humanitarian laws and principles. It commits us to designing and implementing humanitarian responses in a way that keeps children from harm and to holding state and non-state actors accountable.

Across our 15 priority countries, we supported over 93,000 children through case management of protection issues and provided over 199,000 children with mental health and psychosocial support, exceeding our targets of 60,000 and 150,000 respectively.

We produced a 'Catalogue of Innovations' capturing the learning and adaptation of programming in the light of COVID-19. This recorded how we continued to provide essential child protection services at a time when the risk of violence against children had significantly increased, but operations were restricted, and children and communities were harder to reach. These innovations were shared across a range of media, from events to podcasts.

After three years of implementation, our 'Parenting Without Violence' approach was seen to reduce physical and humiliating punishment in contexts as varied as **Cambodia**, **Papua New Guinea**, **Somalia** and **Nepal**. For example, in Prey Deng province in **Cambodia**, children reported that the intervention contributed to a 24% reduction in physical violence and a 36% reduction in emotional violence by their caregivers. In 2021, the 'Joining Forces for Africa' project, a consortium with six child-focused agencies, adopted the 'Parenting without Violence' approach. In the Kakuma Refugee camp in the North-western region of **Kenya**, over 3,000 parents and caregivers took part in parenting support groups.

Growing up in resilient families

COVID-19 also had a dramatic impact on economies, worsening poverty and inequality globally. According to UNICEF, impacts were felt the most where social protection systems were not in place to provide support – including many low-income countries, and among informal urban workers.

In 2021, we saw an unprecedented global hunger crisis. This was linked to the economic impacts of COVID-19, but also worsening conflict situations, mass displacement, and the climate crisis.

Providing safety nets for families was a key strategic focus for our work. In our 15 priority countries, we provided cash and voucher support to over 1.4 million children. This was far in excess of the initial target of 500,000, reflecting both an increase in need in a number of countries, and a scaling-up of fundraising and delivery capability. Over the year, we delivered more than \$128 million of cash and vouchers to families in at least 38 countries.

In more stable contexts, we pushed governments to take on the role of managing and distributing regular and predictable cash transfers, such as child grants, as part of a national social protection system. Here our role was to support implementation or push for more inclusive, child focused systems that can help children and communities better cope with shocks such as COVID-19, or the climate crisis.

In **Nigeria** building on previous work to support the national government system, our 'Expanding Social Protection for Inclusive Development' (ESPID) aims to further strengthen government delivery of inclusive and shock-responsive social protection and scale-up our support to national civil society social protection platforms. With our support, four state governments made considerable progress in increasing funding towards social protection with annual commitments. **Jigawa State** has started its very own state funded maternal and child cash transfer programme to reduce malnutrition, based on our earlier model.

We continued our work to improve programming and policy for children living in urban contexts, particularly informal settlements, building on our 2020 global alliance, 'Cities4Children'. Working with new evidence gathered through an impact evaluation of a youth empowerment programme in **Bolivia** (which significantly reduced violence experienced by girls) and other projects, we developed a well-received 'Adolescent Wellbeing Framework' to guide our work. This informed a new five-year programme funded by Bulgari called 'The POWER 4 Adolescents and Youth', which was implemented in **Albania**, **Bolivia**, **Nepal**, and **Uganda**.

Campaigning and advocating for and with children

Save our Education – our priority advocacy and campaigning focus

Our global campaign, 'Save our Education', which started in 2020 in response to COVID-19, continued in 2021, complementing our 'Build Forward Better' report to create a plan for how education can both respond to this crisis – and prepare for future crises. The public campaign '100 Days of Action' saw close to 2,000 children take part and campaign for their right to education alongside parents and supporters from around the world. This was driven by six national child-led campaigns in **Cambodia, Colombia, Kosovo, Lebanon, Nepal and Uganda**, with participation in 49 country, regional and member offices. Children's actions alongside coalition campaigning and advocacy put the global spotlight on education, helping to move donors to pledge over \$4bn USD to the Global Partnership for Education and dozens of countries to increase domestic financing commitments to get children into school and learning – commitments that could represent as much as \$196bn new financing for education – with Save the Children driving significant domestic financing commitments in **Cambodia, Ethiopia, Somalia, Nigeria, Kenya, and Zimbabwe**.

Concerted efforts with UN member states and missions in Geneva and New York, enabled us to secure the inclusion of many of our advocacy asks in UN Security Resolution 2601 (2021) on children and armed conflict, and Human Rights Council Resolution (47/6) on the right to education. This included the explicit reference to the 'Safe Schools Declaration' – a first ever! The Safe Schools Declaration was a political commitment made by states to protect education from attack.

At national level, campaigning and advocacy efforts contributed to various successes. Together with partners, the **Cambodia** country office supported children to bring a wide range of ideas to the Ministry of Education, Youth and Sport, culminating a joint statement outlining commitments to children. We helped secure an inter-ministerial position and reactivation of the 'Safe School Declaration' process in **Colombia**. Our country office in **Uganda** supported teenage mothers and pregnant girls to successfully campaign for the revocation of rules that required pregnant girls to withdraw from education. We secured provision of computers and internet connectivity in **Nepal** and increases in printed materials in **Malawi**. Advocacy efforts in **Sudan** resulted in the military being removed from three school buildings, so they could be used for education again. Our successful advocacy towards Municipal Directorates of Education in **Kosovo** led to the establishment of 18 new community-based early childhood care and development (ECCD) centres in rural areas benefiting more than 600 children.

In **Burkina Faso** our advocacy helped secure the government provision of cash transfers to support girls' education. In addition, our advocacy efforts were instrumental in restoring blocked salaries for teachers in Northwest **Syria**.

Additional advocacy and campaign impact

Our work as co-lead of the 'EU Alliance for Investing in Children', working with peers over several years, culminated in 2021, with the European Union (EU) adopting the 'European Child Guarantee'. This is a milestone for the rights of children, as all EU Member States will have to submit action plans identifying vulnerable children and how their needs will be prioritised. The policy is also historic in that children (supported by Save the Children and our partners) were widely consulted in the process.

At the UN High-level Political Forum 2021, we successfully introduced the concept of child-sensitive social protection, which secures basic incomes and reduces risks for vulnerable children and takes into account the voices and views of children and their caregivers. After an event with child participants at the forum, several member states committed to exploring implementation at the national level.

In **Colombia**, our advocacy contributed to the country becoming the 33rd country in the world to outlaw all forms of corporal punishment of children. We then played a central role in the UN Committee on the Rights of the Child's biennial 'Day of General Discussion', which this year was dedicated to Children's Rights and Alternative Care. An unprecedented 1,500 people attended virtually – from over 125 countries. The Committee took up many of our recommendations in its summary which will feed into recommendations to Member States on how to improve quality care for children going forward.

Working with child-led recommendations and analysis produced in collaboration with scientists at Vrije University Brussels and other leading climate institutes, we produced our first ever global report on climate change: 'Born into the Climate Crisis: Why we must act now to secure children's rights'. We also submitted a third-party intervention to the European Court of Human Rights in support of six children and youths who are bringing a case to challenge states' failure to tackle the climate crisis, which is infringing on children's rights.

Leading up to and during COP26 in November 2021, we worked with children to drive progress on children's rights in relation to climate commitments, policies and financing. Our engagement and influencing helped ensure the final COP agreement included more text on children, child rights and intergenerational equity compared with initial drafts. We will continue this work in 2022 and beyond to ensure children can actively participate and have their voices and demands heard at COP and other international forums.

Promoting child rights governance

Save the Children has been fighting for children's rights for over 100 years. Our work to support good governance, better public investment in children, and support for local actors and children in demanding accountability for their rights, seeks to build social, political and economic systems that work for children.

In 2021, working alongside networks and coalitions of children, child parliaments, and adult civil society, we engaged with governments, and international bodies with the aim of strengthening their legal obligations to children through human rights and Sustainable Development Goal accountability processes. This approach was implemented in **Ethiopia, Sudan, Zambia, Tanzania, South Africa, Malawi, Mozambique, Somalia, South Sudan, Cote D'Ivoire, Senegal, Nepal, Bangladesh, Myanmar, Guatemala, Peru, Colombia and El Salvador**. In **Ethiopia, Zambia, Rwanda and Tanzania** this investment in democratic participation contributed to increasing spending on social programmes for children. In **Zambia** specifically, the share of total government spending on child focused social protection programmes increased from 2% in 2020 to 4.1% in 2021.

Reaching children in crises

As parts of the world emerge from the pandemic, millions of children are facing a hunger crisis brought on by conflict, climate, and the ongoing impact of the pandemic. An estimated 283 million people were acutely food insecure or at high risk in 2021 across 80 countries. Despite huge progress in our lifetimes, COVID-19 is adding to the impacts of conflict and climate change to push millions of people across the world to the verge of starvation. Save the Children is already working in many of these communities to support families with food, cash, and supplies, and critical health and nutrition services so their children don't go hungry, now or in the future. We're also working with partners to help communities spot early warning signs and take necessary measures to protect themselves.

COVID-19's impact on supply chains, humanitarian access and the global economy is estimated to have doubled the number of severely hungry people in the world to 272 million. The number of climate-related disasters has tripled in the past 30 years; we responded to many in 2021. Today, conflict has displaced 82.4 million people from their homes – more than at any other time in recorded history.

Save the Children's responses have different strategic periods due to the fact that humanitarian crises happen at different times throughout the year. Strategic periods are set from the start of our response and for different amounts of time depending on the nature of the crisis, such as natural disaster or protracted crises.

Together, SCI and Save the Children members reached over 31.1 million people (including 18 million children) in 103 humanitarian responses. From the global hunger crisis affecting 13 countries, to bushfires in **Australia**, the earthquake in **Haiti**, the Ebola outbreak in **DRC**, we offered lifesaving interventions from nutrition, healthcare, and hygiene to child protection and education.

In **Afghanistan**, around 24 million people (including 14 million children), more than half of the total population of 40 million, were in need of humanitarian aid. Since September 2021, we supported 700,000 children and their families against a target of 1.5 million children in the strategic period of 2018–2022 with cash transfers, primary healthcare provision, education, hygiene and sanitation workshops, the provision of shelter and household items, and nutrition services.

Armed conflicts and natural disasters continue to cause mass displacement in **DRC** resulting in serious violations of children's rights, including recruitment, abduction, sexual violence, killings, and maiming. In addition to COVID-19, the country was also dealing with measles and Ebola outbreaks, as well as with the effects of a volcanic eruption. Save the Children has met its target and reached 1.3 million children and their families over the strategic period of 2018–2021, providing vital health, nutrition, protection and education support, as well as water, sanitation, and hygiene programmes.

The regions of Tigray, Amhara and Afar in **Ethiopia** are experiencing a multi-layered emergency, compounded by conflict-induced displacement, disease outbreaks and seasonal disasters. Over 354,000 people were suffering from catastrophic hunger levels. An estimated 5.5 million people in northern Ethiopia – 61% of the people in the area – were facing high levels of acute food insecurity. We reached one million people, ensuring lifesaving assistance and resilience strengthening support was provided through water, sanitation and hygiene (WASH), health, nutrition and protection services.

An estimated 2.3 million children and youth, including some 700,000 children under five, were going hungry in northeast **Nigeria**, as attacks by militants forced farmers from their lands. An estimated 2.2 million people fled their homes. Save the Children has reached 1.2 million people against a target of 27,000 for the strategic period of 2017–2022 since the start of the response. During 2021, we provided food assistance and protection services to more than 320,000 children and families on a regular basis.

Conflict and flooding had a devastating effect in **South Sudan** during 2021, with 8.3 million people, including refugees, in need of humanitarian assistance across the country. An estimated 856,000 people were affected by flooding since May 2020 and close to 400,000 people were displaced, with women and children most affected. As of February 2022, we reached 1.2 million people (including children) since the start of the response people against a target of 1.6 million for the strategic period of 2020–2022.

A decade of war in **Syria** has left children's lives in ruins. Many children have missed years of education, with 2.45 million currently out of school. Around 60% of the Syrian population, that's 12.4 million people, do not have regular access to enough safe and nutritious food. Save the Children has been there for Syrian children since the start of the conflict. In 2021 we reached 600,000 people in need of health and hygiene services, food and nutrition support, psychosocial support, and child protection activities. We also reached 19,900 people in Northeast Syria with education interventions and over 24,200 in Northwest Syria. The total reach target for the strategic period of 2019–2024 is 800,000 people.

Political and socio-economic developments in **Venezuela** have led to a humanitarian crisis. According to the UN, about seven million people are in need of critical humanitarian assistance. An increase in crime and insecurity, including clashes between armed groups and the national security at the border regions, is hampering access to vulnerable populations. The restart to cash programming for all agencies is awaiting government approvals and is on hold for the whole sector until the approvals come through. Moreover, access to gasoline and a lack of a stable source of electricity hampers operations with frequent blackouts and power outages continuing in different areas. Importation challenges means that supply chain and international procurement are an issue. Finally, high rates of COVID have caused lockdowns and travel restrictions, making face to face activities a challenge. As of September 2021, we had reached over 142,000 people since the start of response across the region, 79,000 of whom were children. This is against a target of 1 million people for the strategic period of 2017–2022. Provisions included protection, education, nutrition, cash, WASH and health services.

Over six years of conflict and severe economic decline has driven the people of **Yemen** to the brink of famine. An estimated 20.7 million people – or 66% of the population – require some form of humanitarian or protection assistance. Save the Children is one of the largest aid organisations operating in the country. We work in 11 regions, implementing health, nutrition, child protection, food security and livelihoods, education, water and sanitation interventions. In 2021, we reached 800,000 people against a target 1.2 million people. To date, since 2015, our response has reached over 12.6 million people, including more than 6.8 million children. These are not unique figures as some people receive humanitarian assistance multiple times.

Humanitarian Fund

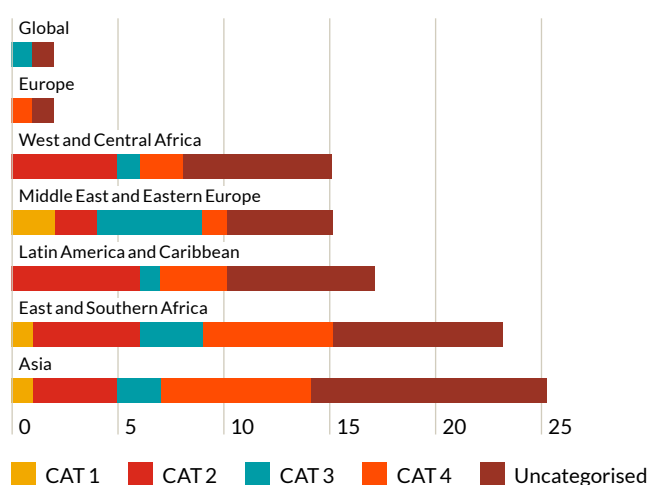
A year ago, our internally created Humanitarian Fund was launched in response to an increasingly changing humanitarian landscape: crises are more frequent, longer, and more severe; with more entrenched factors such as climate change, conflict, forced migration and infectious diseases affecting children. Through the provision of fast and flexible funds, the Humanitarian Fund's purpose has been to enable Save the Children to respond to this shifting landscape while focusing on the increased humanitarian needs. The Humanitarian Fund strengthened our humanitarian aim of doing more despite the increasing challenges. Country and regional offices had extra backing coming in the shape of fast and flexible funding, allowing us to respond to unmet needs.

The Humanitarian Fund received \$54.8 million last year from 18 Members, surpassing the \$40 million marker. This has given us leverage to support a range of categorised responses, as well as anticipatory action, and emergency preparedness. The fund, which has now been almost fully allocated, enabled the support to 63 Country Offices, Regional Offices and Members, through 267 allocations which is the equivalent of \$51.5 million (out of which \$28.6 million were spent in 2021). 81% of these funds were used in direct implementation and delivery of humanitarian activities. 12% were costs that have assisted the design of country office's humanitarian strategies, including proposal development and advocacy, while 7% were shared direct costs. Through the Humanitarian Fund activities that might have not found donor support have found a way forward, as was the case of conflict mitigation in Sudan. The funds enabled a conflict analysis in West Darfur that might lead to establishing community-based early warning systems and increasing the country team's ability to anticipate and prepare for conflict events.

All five SCI regions, as well as members in Europe, North America and Oceania received funding from the Humanitarian Fund in 2021. East & Southern Africa (ESA) received \$14 million, the highest amount of funding and equivalent to 27% of all Humanitarian Fund allocations, closely followed by Middle East and Eastern Europe (MEEE) with \$12.8 million.

The Humanitarian Fund contributed to humanitarian responses that have reached over 16 million people, including nine million children. This has been possible through a range of services comprising education in emergencies, cash assistance, and health.

Figure 1
Funding by region
\$USm



Whenever SCI has an active humanitarian response, a humanitarian categorisation is set up. Categorisation is the process SCI uses to assess the humanitarian impact of one or more crises on children's rights in a given country and to determine the overall level of organisational involvement and support required to meet children's needs in a timely and accountable manner. What categorisation level is allocated to a crisis depends on the scale, intensity, complexity of the humanitarian context, scale and severity of children's needs and risks to children, local and national response capacity and the country office's response capacity. SCI's country humanitarian categorisation framework consists of four categories on a scale from 1 to 4, where a category 1 is the largest and most severe.

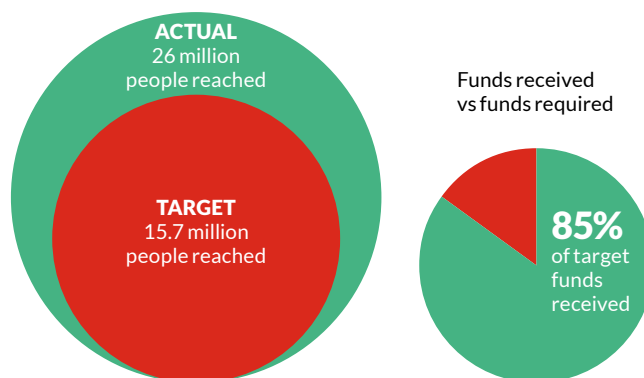
- **Cat 1:** 15+ million people in need (and/or 50+% of population)
- **Cat 2:** 7-15 million people in need (and/or 30-50% of population)
- **Cat 3:** 3-7 million people in need (and/or 15-30% of population)
- **Cat 4:** Up to 3 million people in need (and/or up to 15% population)

Humanitarian Response Plan

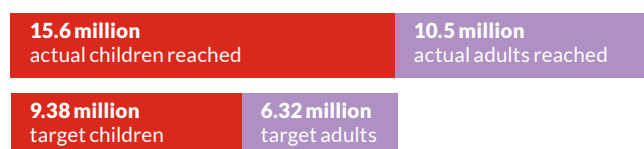
Last year marked the first time we coordinated and drafted a global humanitarian plan. When we published *Children Cannot Wait: Save the Children's Humanitarian Plan for 2021*, we'd just come through one of the most challenging years for children living in crisis in recent memory. At the time, our Humanitarian Plan for 2021 was the first of its kind for Save the Children. The outlook for children for the year ahead was bleak with the UN predicting 235 million people projected to need humanitarian assistance globally. We were still feeling the constraints of a pandemic, seeing overburdened health systems in numerous countries, experiencing inhibited humanitarian access, and witnessing multiple conflicts, all of which combined, drove up humanitarian need to truly unprecedented levels.

In 2021, we reached 31.1 million people (including 15.6 million children) with our humanitarian programming (26 million of whom were in the 37 prioritised countries within our 2021 Humanitarian Plan) – figures which surpassed the target we set for ourselves at 15.7 million people. We raised 85% of our fundraising target – an incredible achievement given the scale of need in 2021 and the number and severity of crises that required support. We have incorporated a lot of the lessons from the 2021 humanitarian plan into our planning for 2022.

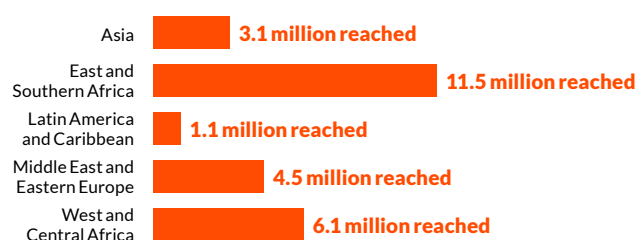
Figure 2
The Humanitarian Fund: Exceeding targets and breaking records



2021 target and actual reach (adults and children)



2021 actual reach (per region)



Our Global Strategy

2019–21 strategic period

In 2019–21, Save the Children prioritised action towards our 2030 Ambition, particularly in countries where progress towards the three breakthroughs was most behind.

Our aim was to:

- Reduce the number of child deaths from pneumonia, and support children with life-saving nutrition services.
- Improve learning outcomes in children's early years (0–6) and increase global financing towards quality and inclusive basic education.
- Protect children in conflict from grave violations of their rights and take steps to change social norms that perpetuate gender-based violence.

We also agreed to change how we work as an organisation, by:

- Driving high quality programmes and advocacy, focused on developing and using our evidence-based Common Approaches, and applying our technical expertise and funding where it's most needed.
- Engaging the public to support our cause by better integrating our campaigning, communications and resource mobilisation efforts, and growing our supporter base.
- Changing how we work, to reach new standards of accountability to children and one another, by adapting our models to be more fit for the future and evolving our governance, culture and systems to increase effectiveness and efficiency across our movement.



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 for children
- 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

As Covid-19 hit in 2020, we knew we needed to ramp up our focus on distance and accelerated learning, and financial resilience to combat increased poverty and malnutrition. This in turn would improve children's chances of continuing their learning and returning safely to school. We had not yet made sufficient progress in a few areas of our 2019–21 strategy that would be essential to tackle the challenges to children's rights and equity, exacerbated by the pandemic and financial crises. These included ensuring we had the right technical expertise where it was most needed across the globe; strengthening our partnerships with institutional and multilateral donors; and reducing inefficiency and increasing diversity equity and inclusion in our organisation. We prioritised these areas in 2021 to increase our impact for children and strengthen our organisation to be fit for the future.

2021 priorities and results

- 1 Strengthened learning and access to education for millions of children around the world:** As mentioned above in the "Delivering education and learning for all" section on page 8, by the end of 2021, we contributed to maintaining access to flexible/blended learning opportunities for 1.2 million children in our focus countries (against our target of 933K). Key country offices such as **Cambodia, Myanmar and Bangladesh** drove noteworthy partnerships with UNICEF, Facebook Asia and Teach for All to implement the Safe Back to School programme. And at a global level, our advocacy contributed to closing the \$35 billion education financing gap by 11% (against a target of 10%).
- 2 Strengthened resilience and financial safety nets for millions of children and their families:** As mentioned above in the "Ensuring children were protected from harm" section on page 9, we contributed to ensuring that 1.4 million children and their families in the poorest countries were able to meet their basic needs through increased access to cash, exceeding our target of 1.2 million. We also supported 14 governments (against a target of seven) to improve coverage of social protection for children. For example, in **Kenya**, we worked with UNICEF to design the first Universal Child Benefits programme in the African continent. In **Somalia**, we partnered with the government to develop their first ever national Social Protection policy, with the potential to benefit the entire population. This is particularly significant in a country where half the population are children under the age of 14, and more than 70% of those children live in poverty.
- 3 Strengthened technical expertise and humanitarian capability to deliver quality programming and advocacy at the frontline:** We have increased the number of senior technical experts in countries and regions to 467 (within 4% of our target of 483), and increased uptake of evidence-based approaches across the movement. We consolidated humanitarian expertise for more coherent and efficient allocation globally, including our emergency health capability.

We created a fully flexible Humanitarian Fund, which attracted contributions of \$54.8 million in 2021, to support emergency preparedness, early action, and under-prioritised responses across the globe. We fell short on our training targets for using our evidence-based approaches; on supporting the overhead costs of local partners but will continue to work on these in our next strategy period.

- 4 Increased fundraising alignment, diversity and return on investment to drive our breakthroughs:** To support country strategic priorities we secured more than our stretch target of \$1.2 billion from new institutional accounts, including \$23 million through new strategic accounts. We raised more than \$632 million in unrestricted income (against a target of \$449 million), for our work in humanitarian response, advocacy, innovative programming, core investment in technical capabilities of organisation.
- 5 Became more cost effective and accountable for children, donors and one another:** We continued with the High Performing Organisation programme, designed to strengthen our systems and increase our efficiency. We now have 80% of staff using the Oracle HR system, as well as the majority of SCI staff procuring goods with ProSave (both hitting our targets). But we have not yet achieved significant reductions in the ratio of administration costs to total spend across our 30 members, which returned to its 2019 level after a reduction in 2020. We base-lined our carbon footprint and committed to a CO2 emissions reduction of greater than 50% by 2030 at the latest, and responsibly offsetting any unavoidable residual emissions critical to our mission; however, we fell just short of our target of adopting an environmental impact policy in every country we work in.
- 6 Built a stronger culture and became more diverse and inclusive from the inside out:** Our median staff engagement across the movement (30 members + SCI) was 79% (against a target of 75% or higher). Our median voluntary turnover across the movement was 14% (against a median target of 10% or lower). Our performance on both of these metrics is encouraging in a year where the 'great resignation' took place in staffing across many sectors, worldwide. In 2021, the median percent of leadership roles held by women was 66% across the movement, which is within our target to maintain the level higher than 60%. However, we did not make as much progress as we wanted in putting other fundamentals in place. We have yet to systematically define what diversity, equity and inclusion means across our geographies and set local policies to protect and foster it, including closing related pay equity gaps. We intend to change this and have prioritised it moving forward in 2022.

Moving towards 2022–24 strategic period

At the time of writing the Trustees Report, we are in the midst of an escalating conflict in Ukraine. More than 7.5 million children across Ukraine are in grave danger of physical harm and severe emotional distress, amidst an exodus of more than 5.5 million people – half of them children – fleeing the war. Around the world, COVID-19, conflict and the climate crisis are undoing decades of progress. What we do for and with children is needed now more than ever. The war in Ukraine, alongside the climate emergency and growing hunger crisis, is bringing us back to the core of our mandate. Our strategic framework for 2022–24 is robust, and designed to withstand and absorb the shocks of our increasingly complex world and while continuing to expand our reach for children who need it most.

The war in Ukraine and other challenges have only confirmed we have the right direction of travel as an organisation. We are working to seize the opportunities for coordination to realise Save the Children's collective potential as a "joined up" Movement.

In 2021, alongside delivering our six priorities, the organisation came together to build a new three-year strategy for 2022–24. An inclusive process was led with all SCA/I staff, technical leadership, senior management/leadership and Boards across SCI and the SCA membership. For the first time ever, children worldwide have helped to create Save the Children's new global strategy.

We have made strategic choices, building on lessons from our COVID-19 response, our strengths and also stretching into newer areas of opportunity. With COVID-19, conflict and climate change negatively impacting children, over the next three years our work will continue to focus on meeting immediate needs where governments and families do not. We will also place greater emphasis on driving systemic changes to protect the rights of children for whom the gap is greatest in achieving our 2030 breakthroughs. We will more aggressively tackle structural inequality and discrimination in each country and context in which we work.

We will amplify impact for hundreds of millions more children across more than 100 countries, ensuring they:

- Get a healthy start in life.
- Can safely go to school and learn.
- Live free from violence.
- Grow up in resilient families.

We must think and act differently, together with children and partners, to protect the rights of children now and for future generations. To do this we will:

- Champion children and their local communities, elevate their voices, and make decisions together.
- Partner more strategically with peers, private sector and government and mobilise people and institutions to change public opinions, policies and laws.
- Use data, strengthen evidence and use digital technology to ensure quality education, healthcare and protection for millions more children, faster.
- Become a truly inclusive organisation that invests in diverse talent, achieving more for children with every dollar spent.

Risk management and internal controls

SCI believes that effective risk management is key to successfully delivering our strategic priorities and achieving our ambitions for children. Our strategy and operating environment inevitably expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to operate in conflict-affected and fragile states, and in humanitarian emergencies.

During 2021, we strengthened our risk management by finalising a new risk management policy and procedure, and improving the review and reporting of risks by Risk Committees in all country and regional offices.

We established a new Risk Hub, bringing together some of our specialist risk functions to ensure a more aligned approach across the four pillars of our approach awareness, reporting, responding and prevention. We have strengthened the consideration of risk management in project design through rolling out a new Project and Award Risk Tool. And we have improved our reporting of incident data to ensure we have alignment in the way we are presenting and reporting risk data and the effectiveness of our controls by creating a set of assurance dashboards.

How we managed our principal risks in 2021

SCI has identified 11 principal risk areas, with associated mitigation strategies, as summarised below.

Principal risk	Risk mitigation strategy
Speaking Out	Our Global Policy and Advocacy Department manages risks around Save the Children's public statements and policy positions – considering the potential risks to our programmes and our impact of speaking out too mildly or too strongly. They provide training and guidance to country offices. There are clear sign-off procedures for global policy and reports, and a process to ensure Board and senior management consideration of sensitive issues.
Quality Programme Designs	Our Programme Quality and Impact Department, and the strong cadre of technical experts across our country offices and members, ensure high-quality project design. A new programme design checklist was agreed in 2021 and will be rolled out in early 2022, ensuring we consider issues such as evidence, gender and child participation. We continue to focus on promoting the uptake of our evidence-based 'Common Approaches', and use of a more standard menu of outcome indicators.
Programme Delivery	Our International Programming Department monitor country office performance against a set of Key Performance Indicators. We provide full reports to donors on our progress in programme delivery, and are piloting a new "projects-on-track" indicator to provide more accessible information on project performance against targets. We are strengthening our systems for working with partners, and in 2021 began the 'Partnership Tools Uplift' project.
Safeguarding Children & Adults	Our Safeguarding Team leads a strategy focused on awareness, prevention, reporting, responding and survivor care. A detailed report on our approach to safeguarding and on incidents in 2021 is included on page 20 below. Our focus on keeping children and communities safe also includes strategies to address medical, construction and road traffic risks in our programming.
Safety & Security	Our Safety and Security Team is responsible for managing all operational risks including, the safety and security of programme delivery, the safety and security of our staff, assets, reputational risk and legal liability.
Harassment & Bullying	Our People and Organisation Department are responsible for policies and case management. A detailed report is included in the Our People section below.

Principal risk	Risk mitigation strategy
Attract, engage, retain talented people	Our People and Organisation Department is responsible for policies and systems to drive leadership stability at all levels; build diverse talent pipelines through effective talent acquisition, succession planning and career experiences; accelerating talent development through development programmes; and acquiring talent to complement internal talent for long term growth. The evidence of risk mitigation is low voluntary turnover, high time in position, improved diversity of leadership roles.
Fraud & Data	Our Fraud team leads a strategy focused on awareness, prevention, reporting and response. In 2021, we strengthened our focus on data analytics to improve our understanding of our exposure to fraud. A detailed report on our approach to fraud is included on page 22 below. Our information security and data protection team is committed to preserving the confidentiality, integrity and availability of all beneficiaries, staff, donor and partner data. Our governance model is underpinned by a comprehensive set of policies and procedures. In 2021, we launched a new SCA Information Security Service to protect the Save the Children brand and enhance member information security maturity. We have also completed an information security assessment of all Country and Regional Offices and supported local teams with the remediation of any identified risks.
Financial Sustainability	Our Finance Department is responsible for ensuring strong financial planning, budgeting, reporting and compliance with key controls. Our key financial controls include adherence to the scheme of delegation to ensure approval and authorisation is upheld; maintaining proper segregation of duties through all our key financial processes; reconciliation and review of accounts throughout and at the end of the year; set annual budgets and re-forecast twice a year, on a monthly basis actual spent is monitored against budget. We also hold ourselves responsible and accountable through monthly reporting on global financial KPIs.
Compliance	Our Legal and Awards teams provide training and guidance to staff in country offices, Regions and the centre in relation to a number of critical compliance areas including legal, safeguarding and donor compliance. All policies and procedures are regularly reviewed under our approach to continuous improvement. In this context, on an annual basis Regional Directors provide a Letter of Assurance acknowledging their responsibility to ensure compliance in the region and country offices and confirming compliance with all relevant law, regulations and policies and procedures. Any exceptions must be declared, together with the related remedial actions being taken.
Governance	Over the last four years, we have and continue to be engaged in a process of governance reform aimed at streamlining and clarifying the decision making authority of the various decision making bodies within SCI. This has included a review of Board Effectiveness by an external team and a review of Board and CEO delegation as they apply throughout the organisation. In this way our aim is both to simplify day to day operations and to ensure that decision ownership and accountability is strengthened.

Working together to manage shared risks within the Save the Children movement

The Save the Children movement operates with a networked structure, and members share exposure to financial, operational and reputational risks. Following our earlier work on developing a joint SCA risk appetite and through our SCA shared risk leadership group calls, we work closely with our Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks.

Safeguarding children and adults in the community

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

In this report, we address three types of safeguarding, split across the groups we aim to protect: children ("Child Safeguarding"), adults in the community ("Adult Safeguarding"), and staff / colleagues ("Staff Safeguarding").

SCI has a comprehensive set of safeguarding policies, including the Child Safeguarding Policy and the Protection against Sexual Exploitation, Abuse and Harassment Policy ("PSEAH" Policy). Everyone associated with Save the Children must be aware of their responsibility to safeguard children and adults and of risks of child abuse and sexual exploitation. Our policies only allow the recruitment of representatives who are suited to work with children and apply strict child safe recruitment practices. Anyone who represents our organisation must adhere to the safeguarding policies, behave appropriately towards children, and never abuse 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 other representatives.

Everyone who represents us must actively create a safe environment for children and adults who come into contact with the organisation. All activities and programmes of work, including during the response to humanitarian emergencies, are assessed for safeguarding risks and these risks are reduced or mitigated by all means within our control. SCI's central, regional and country offices establish and maintain robust systems, which promote awareness of safeguarding, and enable the prevention of harm.

Reported concerns in 2021

Reports concerning potential policy breaches increased 63% compared to the prior year. This increase in reporting is in line with the trend of pre-COVID years. This increase is more pronounced compared to prior year due to relatively low reporting in 2020 when the onset of the COVID-19 pandemic temporarily reduced programming and challenged face to face reporting and monitoring systems. The increase in reporting in 2021 demonstrates a continued growth of trust and indicates that our reporting systems have adequately adjusted to a COVID-19 context in which travel and field visits are reduced and some of the old physical reporting and monitoring systems are no longer adequate.

We see it as a positive sign that reporters place trust in our systems by sharing their concerns. This enables us to investigate each concern, provide survivor care if any harm took place, take action if our policies were breached, and continuously test and improve our systems. Our reporting data enables us to keep improving our effectiveness in identifying risks and spotting early warnings. The number of cases related to policy breaches by staff has decreased relatively from 37% of cases in 2020 to 19% of cases in 2021.

Safeguarding children

Save the Children's child safeguarding reports include concerns that possible policy breaches may have led to a child being injured, harmed, or placed at risk of harm. This includes a wide range of concerns, from a child being involved in a road traffic accident, to a child being physically harmed, or an unsafe situation due to inadequate handrails on stairs in a school.

In 2021, there were 631 child safeguarding concerns reported:

- Of the 631 concerns reported, 470 have been closed at the time of analysis:
 - 57% were substantiated policy breaches (55% in 2020)
 - 31% of the cases related to sexual exploitation and abuse or physical abuse (36% in 2020).
 - 19% (87) of cases involved Save the Children staff (37% in 2020).
- Of the closed concerns, 87 involved Save the Children staff, of which 42 were substantiated. Of the substantiated cases involving staff:
 - 2 were sexual exploitation and abuse cases, and 7 related to physical abuse.
 - 9 cases led to contract termination or contract not extended; 2 suspensions; 14 official warnings; and 4 supervision and counselling. The remaining cases led to non-disciplinary action, such as additional training or interventions in the programme.
 - 6 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.

Safeguarding adults in the community

Safeguarding concerns related to adults in the community cover a wide range of potential policy breaches, from disrespectful comments to misuse of power and abuse. The reported concerns include early warnings and situations where there is a risk of harm.

- In 2021, there were 124 adult safeguarding concerns reported:
 - The 124 cases are made up of 80 concerns in which Adult Safeguarding was the primary incident type, and 44 concerns in which the primary concern was around Fraud, Safety & Security, Medical, Data Protection or Child Safeguarding, with a secondary Adult Safeguarding component. 51 concerns involved both adults in the community and children and these cases are included in both the Child Safeguarding and Adult Safeguarding data.
 - Of the 124 cases, 29 concerns related to bullying, harassment or intimidation and 30 concerns related to sexual harassment.
- At time of analysis, 87 concerns have been closed:
 - Of the closed cases, 43 allegations were substantiated policy breaches (49%)
 - Of the substantiated cases, 16 cases led to contract termination or contracts not extended; 2 suspensions; 3 counselling and supervision; and 5 official warnings. 17 cases resulted in non-disciplinary action, such as programmatic intervention, process improvement, or additional awareness raising and training.

Progress in 2021 and Plans for 2022

SCI has a localised continuous improvement strategy in place that ensures that each country office annually assesses their systems and develops a contextualised action plan to address local gaps and improve the systems at country level. Our country offices and programmes are required to assess safeguarding risks and develop effective mitigation strategies. The continuous improvement strategy across awareness, prevention, reporting, responding and survivor care is supported by a team of 100+ full time safeguarding professionals, a network of focal points, and a large pool of trained investigators. Our safeguarding specialists are present in each country to enable a contextualised approach.

Across SCI, 96% of new staff received safeguarding training in their first three months of employment. We launched an updated and improved PSEAH Policy and Safeguarding Framework Policy and developed updated and strengthened investigation procedures.

We rolled out our Safer Partnership Programme to most of our country offices, including comprehensive safeguarding assessments with our sub-awarded implementation partners. We also started the roll out of our Volunteer Management System in high-risk country offices. We piloted an approach to further strengthen our engagement with the communities we work in and continued a rigorous review of safeguarding concerns, learning and survivor care.

In 2022 we will complete our Safer Partnership Programme roll out across all country offices, embedding practice into business as usual. We will review and update our Global Child Safeguarding Protocol and Child Safeguarding Policy.

We will continue to strengthen our investigation practices, with a survivor centred approach and a coaching and engagement methodology to strengthening our network of investigators. We will implement an improved and streamlined compliance approach across country offices and prevent re-occurrence of incidents through targeted behavioural change interventions. Ensuring retention of dedicated safeguarding talent through the development and movement of talent is also a priority.

As awareness and trust grows, we do not expect the overall number of concerns to decline in 2022.

Safeguarding staff/colleagues

Save the Children has a zero-tolerance approach to harm or abuse to our staff, volunteers, or partner staff. The protection of our staff and colleagues falls under the responsibility of our People & Organisation (“P&O”) team, and the data presented below is in addition to the data presented in the previous section on safeguarding children and adults in the community.

Staff/colleagues 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 2021, there were 347 colleague safeguarding concerns reported, compared to 151 in 2020. Included in these cases:

- 171 concerns related to bullying, harassment or intimidation
- 35 concerns related to sexual harassment
- 197 concerns have been closed:
 - 68 allegations were substantiated
 - 16 cases led to contract termination, 1 led to contract not extended, 2 suspensions, 8 counselling and supervision, 27 official warnings
 - Following further review, management determined no further action required on the other 10 cases, while the remaining 4 were still under review at the time of analysis.

We have a clear code of conduct policy and this, along with a culture where colleagues feel trust in leadership to act and resolve allegations of harassment and bullying, has led to increase in reported cases. Our reporting channels are anonymous and our commitment to respond are key factors in increased reporting. We believe these numbers will stabilise over the next 2 years because of our triaging process, improved engagement and awareness.

In order to mitigate risks in 2022, we want to make progress in the following four areas:

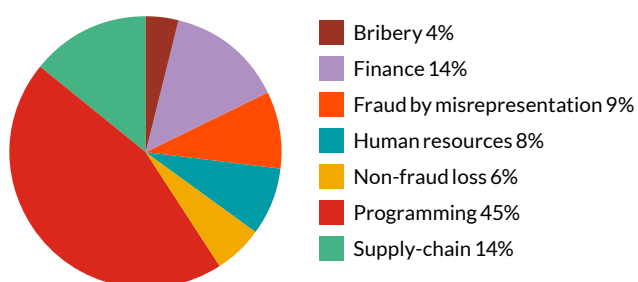
- Implement a triaging system that segregates minor grievances from serious complaints.
- Prevent re-occurrence of incidents through active interventions.
- Ensure effective survivor care.

As awareness and trust grows, we do expect the overall number of concerns to be stable by 2022–23.

Fraud, bribery, and corruption

All staff are required to safeguard SCI resources against fraud and theft by staff, partners, suppliers, volunteers, contractors, community members and beneficiaries. SCI's Global Fraud Team investigates breaches of policy through fraudulent behaviour and lead on the delivery of the organisation's four pillared counter fraud strategy: Awareness, Reporting, Responding and Prevention.

Figure 3
2021 cases by classification



Incidents and actions in 2021

In 2021, the number of fraud reports rose by 37% from 781 in 2020 to 1070. Due to lack of information or non-fraud issues, not all reported incidents are triaged to become open cases. Cases increased by 20% from 603 in 2020 to 721. There was a slight decrease in Triage Level 1 cases, by 18% (32 to 26). Triage Level 2 cases increased by 26% (168 to 213) and Level 3 cases by 27% (339 to 439). Fraud is most commonly low value, high volume, as demonstrated by most cases being Level 3. With the majority of resourcing meeting the increasing workload of newly reported incidents, and fewer historical cases still open, the number of cases closed decreased by 22% (811 to 628).

The continued increase in total reports and cases is in part attributed to continually improving fraud awareness and increased awareness and usage of Datix as SCI's primary reporting mechanism for fraud suspicions.

Programming fraud (fraud taking place at beneficiary targeting, registration or distribution stages of a program, either perpetrated by staff or community members) cases were the most frequent category again, increasing proportionately with the overall caseload (274 in 2020 to 322 in 2021). Cases in **Colombia** continue to make up the majority of this figure with 112 cases, and **Nigeria** the second highest contributor with 66 cases. Both of these Country Offices deliver CVA programming and the majority of cases in each location took place at beneficiary registration and cash distribution stages. Finance cases increased by 100% from 52 to 104, in part due to false invoices and expenses and payroll schemes being detected more often.

Priorities for 2022

The Global Fraud Team seeks to meet the rising caseload with further recruitment and collaboration with other functions in the new Risk Hub. Within the hub, Fraud, Safeguarding and Insurance are member functions under consolidated leadership, partnership teams and at programme design phases to ensure fraud risks are assessed and mitigated methodically on a regular basis.

Global Assurance

The purpose of Global Assurance (GA) is to provide SCI'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 GA team undertakes audits of country offices, humanitarian responses, regional offices, and specific business units, based on an assessment of risk.

GA 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 GA function have been implemented.

In 2021, GA conducted a combination of 18 audit, advisory and consultancy engagements. These included audits of Country Offices identified as higher risk; reviews of organisation-wide control frameworks for managing a selection of high 'gross' risks; and advisory support to the organisation's Risk Transformation work.

In 2022, GA's work will align closely with the Global 2022-24 Strategy, and through a combination of assurance advisory work, will involve sustained focus throughout all audit engagements on risks critical to achieving the objectives of the new strategy.

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. SCI 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 16,000 staff globally.

COVID-19

The COVID-19 pandemic continued to present huge challenges but SCI was able to produce a clear COVID response strategy. We saw a fundamental shift to the way we work and following the success of wider scale remote working and feedback from staff, SCI took the opportunity to review ways of working on a permanent basis. Many offices now operate a flexible approach with staff able to choose when they go into the office, depending on operational needs.

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.

In 2021, SCI introduced 'Wellbeing Days' where staff could take up to two days of paid leave in the year to simply focus on their wellbeing. Following the success of this initiative this benefit is now considered permanent.

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 SCI, we foster a culture of respect and dignity for all colleagues. We believe that it is critical to address discrimination directly and promote inclusion and 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.

SCI 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.

In 2021, we continue to build on a diverse workforce through transparent recruitment processes. This affects over 6,000 hires annually. We have launched unconscious bias training across SCI. We have conducted pay equity reviews in SCI centre. Our leadership focus on inclusion in talent and succession management resulted in the following representation in leadership at the Country and Regional Offices: 53% of CO leadership are women. 71% of talent pipeline in CO are people of colour.

Our Inclusion groups – Diversity Equity & Inclusion Council, Women Network, Early Career Networks, LGBTQ+, Mosaic Network – have played a critical role in providing feedback, sponsoring speakers and engaging colleagues across SCI.

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), SCI published our 2020 figures on the extended government deadline of 5 October 2021 and the 2021 figures have been published on 4 April 2022. Published figures for 2021 are a mean gender pay gap of 11.7% (2020: 19%) and median gender pay gap of 10.7% (2020: 17.45%).

In 2021, we continued to work closely with our centre Employee Forum (established in 2020) and centre Employee Networks and maintained our focus on gender equality. As a result, we hired a new Head of Diversity, Equity & Inclusion who started in Q1 2022. We continue to monitor and implement the Workplace Global Diversity, Equity and Inclusion Policy and conducted an Equal Pay and Diversity Pay Audit for all UK employees. We also continued to track diversity data and mandatory training.

We achieved over 60% female participation in Talent Development Programmes, ensured that 53% of the talent in our regional pipeline and over 50% of our Country Directors were female. We also continued our focus on gender balance at board and leadership levels: 55% of our leaders (Senior Leadership Team and SCA/SCI Board members) are now women.

Actions for 2022

We intend to continue our focus on diversity, equality, and inclusion in 2022, by continuing to implement unconscious bias training for leaders to improve the selection and development of talent and rolling out global anti-bias training.

A new Global Disability Inclusion policy, and accountability guidance for gender and accountability will be launched, together with a framework and guidance for a gender equality marker KPI. We will be conducting Gender Equality Self-Assessments (including action plans) in 4–6 Country Offices and Gender and Power analysis in 8–10 Country Offices.

We are yet to make progress on improving our diversity scorecard because of lack of available data. We intend to improve the diversity scorecards by including additional data for other relevant groups such as LGBTQ+, disability and early careers, and completing a recruitment gender audit.

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 SCI'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.

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 the future 2022–2024

In our current three-year work plan (2022–2024), we want to continue to focus on talent development, scaling our processes out to additional grades of the organisation and across Save the Children Association, while continuing to improve our strategic succession planning and movement.

In January 2022, we reviewed and completed succession planning for 25 mission-critical roles in International Programmes. 96% of roles were occupied, 85% roles had successors, 52% of successors are female and 72% are Non-OECD.

Just over 96% (49 out of 51) of our Country Offices completed the annual talent review process using Oracle HR, increasing accountability and enabling us to track and monitor the time in position, internal movement and diversity of senior leaders.

In 2021, 61% of employees set performance goals in Oracle HR and 44% set development goals, using our “Develop to Perform” management approach, which ensures that their managers support them in quarterly development and performance conversations. This was less than the previous year when we had 72% employees with set performance goals and 55% set development goals. We have observed these reductions during the course of the pandemic and impact on workload which may be one driving factor. By the end of 2022 we are aiming for both to be at 75%. In order for us to achieve this target we will be ensuring there is more regular use of the “Develop to Perform” scorecard data so as to increase awareness, transparency and understanding of the root cause of the issues. This will enable us to map clearer accountabilities of employees, managers, our senior management team and leaders.

We continued to run Global Talent Development Programmes for Global Leaders, Country Directors and individuals virtually. Our programmes have positively led to 62% internal movement rate and 6% turnover rate for Country Directors.

At Country Senior Management Team (SMT) level, we assessed 807 leaders and identified a talent pool of 38%. Regional People & Organisation teams are working to ensure these talents are in succession plans, have development plans and access to Talent Development Programmes.

Our ambitions for 2022

We will aim to continue to drive stability in country leaders, maintaining a turnover rate below 10% and internal movement rate of around 40%. We expect 96% of mission-critical roles to be occupied with 76% being filled internally, and a bench of 2–3 internal successors per role. We expect 92% to have completed succession plans, and would like to see equal distribution of men, women, people of colour and ethnic minorities targeted as successors for these roles. We will also identify and implement 8–10 more internal assignments or job moves for the SCA identified talent pool.

For the Extended Leadership Team, our aim is to increase representation for people of colour from 11% to 30%. We will ensure that all approved successors have development plans and pilot a Hogan Assessment and Development tool with 10 successors. This is a personality assessment tool used by organisations to assess job suitability for hiring and also to build self-awareness of leaders.

We will also have 70% complete succession plans for SCI Centre Extended Leadership Team roles, Regional Leadership Team Roles, Country Directors and SMT level by the end of 2022, intentionally tracking and monitoring the distribution of women, people of colour and ethnic minorities as successors for these key positions.

To continue improved accountability, we will ensure that 70% of SCI workforce have documented development goals recorded in Oracle HR by the end of 2022. We aim to create Talent Strategies for the Global Thematic areas to support Technical Expertise Talent Development. Our goal is to retain 90% of technical expertise, identified as ‘promotable talent’ in 2022.

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. SCI recognises that our global operations have an environmental impact.

We will continue to monitor our emissions year-on-year and meet our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

2021 Performance

We have calculated our environmental impact across scope 2 (indirect electricity) and scope 3 (selected indirect categories such as travel) emission sources. There were no scope 1 (direct fuel) emissions recorded in the reporting period. Our emissions are presented on both a location and market basis and include well-to-tank emissions.

On a location basis our emissions are 301.33 tCO₂e, which is an average impact of 0.52 tCO₂e per FTE, and on a market basis our emissions are 309.51 tCO₂e.

We have calculated emission intensity metrics on FTE, which we will monitor to track performance in our subsequent environmental disclosures.

The main sources of emissions were from flights, electricity and hotel stays in 2021. Overall, our carbon emissions are lower than 2020 due to the impact of COVID-19 restrictions on our operations and our office in London was closed for most of the year.

Actions completed in 2021 to support our ambition included renovating our office and introducing LED lights which are around 80% more energy efficient than our previous lighting and installing a new air conditioning unit which is more energy efficient.

2021 Results

The methodology used to calculate the Greenhouse Gas (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 2021.

Energy and carbon disclosures for reporting year

	Emissions Source	2020 (tCO ₂ e)	2021 (tCO ₂ e)	Variance
Scope 2	Electricity	28.39	16.77	-41%
Total Scope 2		28.39	16.77	-41%
Scope 3	Flights (including WTT)	502.88	255.62	-49%
	Hotel	28.75	20.75	-28%
	Taxis (including WTT)	0.78	0.23	-70%
	Rail (including WTT) ⁵	0.35	0.31	-11%
	Employee cars (including WTT)	0.00	1.39	100%
	Electricity transmission and distribution (including WTT ⁶)	2.78	1.87	-33%
	Electricity generation WTT ^{6,7}	3.92	4.36	11%
Total Scope 3		539.46	284.53	-47%
Total (Market Based)		575.75	309.51	-46%
Total (Location Based)		567.85	301.33	-47%
Total Energy Usage (kWh)		121,757.00	83,753.90	-31%
Normaliser	tCO ₂ e per FTE	1.14	0.52	-54%

5 Rail includes both, national and international rail.

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

7 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.

Financial performance

All figures are quoted in US dollars.

Incoming Resources

During 2021, SCI's income was \$1,335 million, 15% (\$169m) higher than our \$1,166 million income in 2020. Similar to previous years, 95% of our income was received directly from Save the Children member organisations and the remaining 5% was largely from direct grants and donations in our country offices and donated professional services.

Income from our member organisations of \$1,261 million increased by 15% (\$166m) compared to \$1,096 million in 2020. Income from gifts-in-kind fell by \$9 million to \$69 million; a significant reduction of in gifts-in-kind of food aid was offset somewhat by an increase in pharmaceutical supplies and services donated by members.

Expenditure

Total expenditure in 2021 was \$1,292 million, representing a 13% (\$148 million) increase compared with the \$1,144 million expenditure in 2020. Expenditure increased due to many significant projects commencing across all our regions both in humanitarian response work and our continuing development work, showing that even with the enduring 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 49% of total expenditure in 2021, against 51% on development. This was a small shift from 2020 where humanitarian made up 51% of total expenditure. Spend increased across all our thematic programmes, most significantly in Education which rose by 21% to \$342 million. Education represented 26% of programmatic spend, compared to 22% on Health, 15% on both Nutrition and Livelihoods and 14% on Child Protection.

Expenditure increased across all of our regions.

In the **East and Southern Africa (ESA)** region, total spend grew by 8% from \$392 million to \$423 million. Almost half of this increase reflects increased funding for **South Sudan** for scaling up our humanitarian response to hunger, flooding and conflict. Spend in **Sudan** increased by \$8 million with additional funding for our humanitarian response for conflict and food insecurity. **Ethiopia** increased by \$7 million partly to support school feeding programming and also the scale up of the humanitarian response to the ongoing conflict in Northern Ethiopia and climate crisis in the south. **Somalia** continues to be our largest country with spend of \$107 million, but spending was \$9 million lower than the previous year, due to completion of the drought response project.

Spending in the **Asia** region increased by 7% from \$234 million in 2020 to \$249 million in 2021. A third of this growth was in **Nepal**, which grew by \$6 million, mainly from additional funding for COVID-19 response. **Sri Lanka** grew by \$4 million relating to US government funding for a food assistance programme for schools. **Afghanistan** also had a \$4 million increase due to the crisis in the country during the year.

Total spend in the **West and Central Africa (WCA)** region increased by 18% from \$198 million in 2020 to \$233 million in 2021. **Nigeria** increased by \$19 million, due in large part to increased humanitarian cash transfer programming in the north of the country. **Cote D'Ivoire** increased by \$12 million, due to two major health awards now operating at full capacity. Increased donor interest in the insecure Sahel region caused **Niger**, **Mali** and **Burkina Faso** to increase their spend by a combined \$15 million. The only major spend decrease from 2020 was \$10 million in **DRC**, due to the end of the Ebola response.

Spending in the **Middle East and Eastern Europe (MEEE)** region has increased by 14% from \$186 million in 2020 to \$213 million in 2021. Half of this growth was due to **Lebanon** and **Yemen** which grew by \$8 million and \$6 million respectively. In **Lebanon**, the humanitarian response spending increased following the Beirut explosion and ongoing socio-economic crisis. In **Yemen**, our second largest country, the lifting of US government suspensions saw an increase in Cash Transfer Programming with overall spending reaching \$77 million spend. The portfolio in **Kosovo** has increased to \$3 million due to funding for COVID-19 recovery. In **Occupied Palestinian Territory**, the Gaza escalation in May contributed to additional humanitarian funding of \$4 million.

In the **Latin America and Caribbean (LAC)** region, total spend grew by 58% from \$61 million in 2020 to \$96 million in 2021. This was largely due to an increase in spend in on our response to the Venezuelan migrant crisis, which led to an increase in all country offices, most notably in **Colombia**, **Guatemala** and **Peru**.

Balance sheet

SCI's balance sheet showed net assets have increased from \$90 million to \$133 million in 2021. Cash and short-term deposits had increased from \$239 million, to \$254 million in 2021. This increase in cash is driven by increased seasonal cash flows and we believe this to be an appropriate level of cash to be held by SCI considering the high expenditure, which takes place at the end of each year. Investments decreased by \$51 million compared to 2020 as SCI switched out of Money Market Fund investments across year end and into bank term deposits.

Fintech for International Development Ltd was incorporated in 2021. SCI holds 11% of the equity and due to its significant influence over the activities and direction of the company, it is considered to be an associate.

Figure 4
2021 direct donations from members
 \$1,261m (2020 \$1,096m)

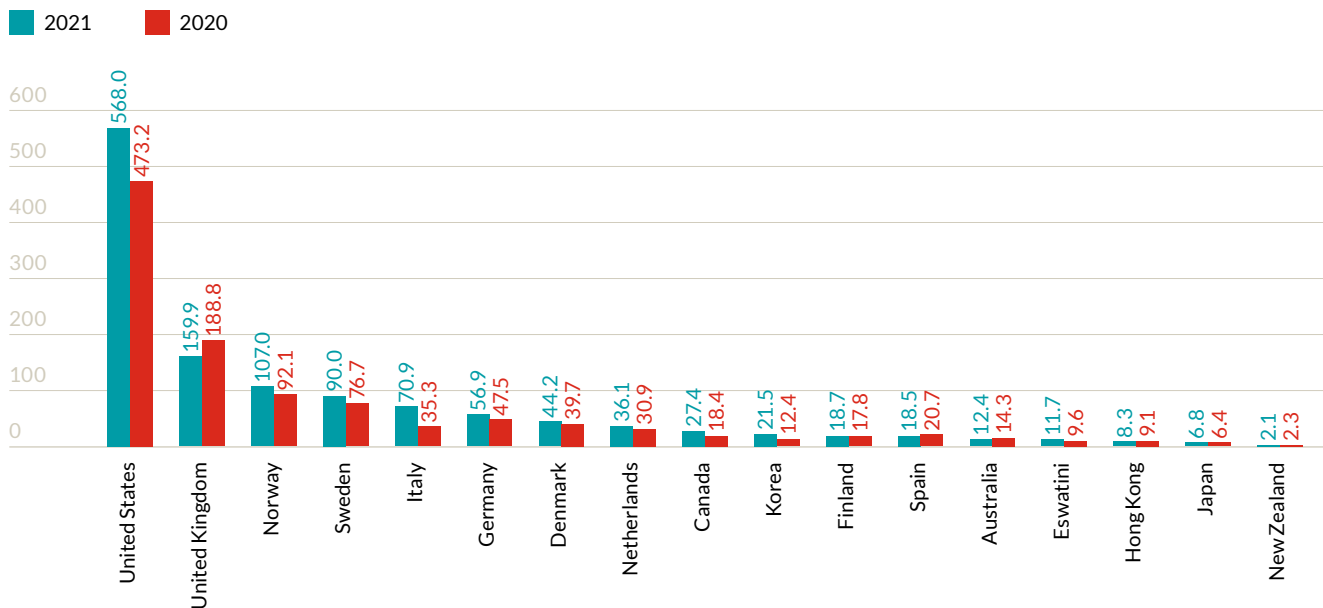


Figure 5
Spend by thematic area
 US\$m

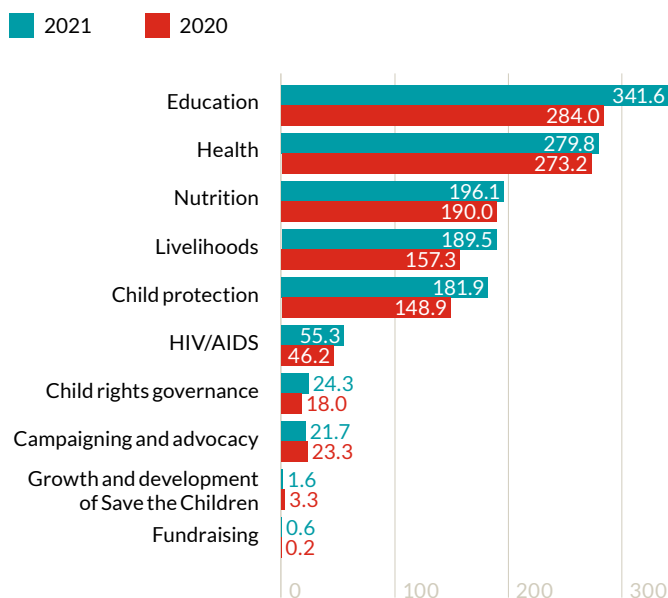


Figure 6
Spend by region largest country office
 US\$m

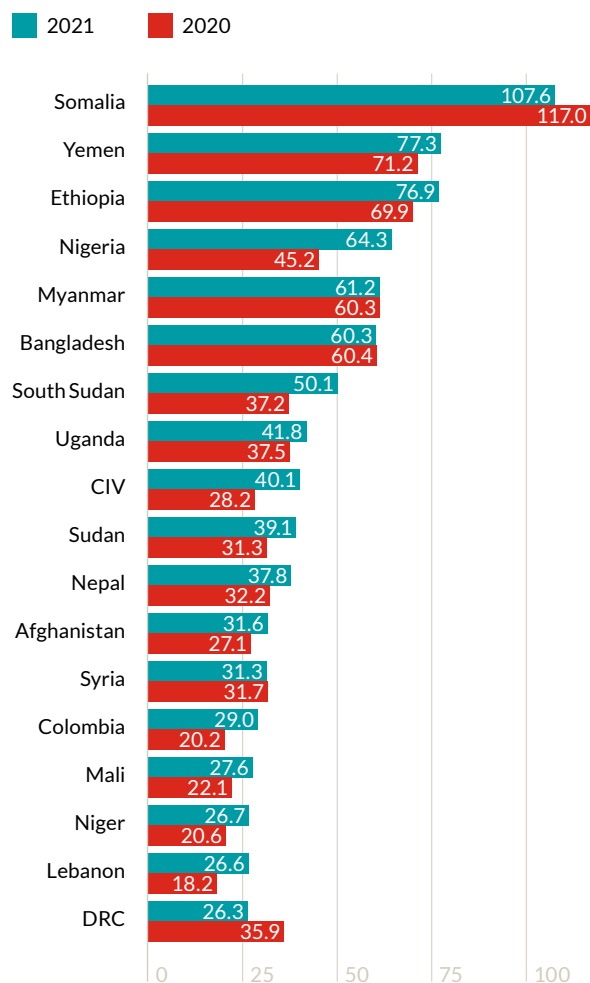
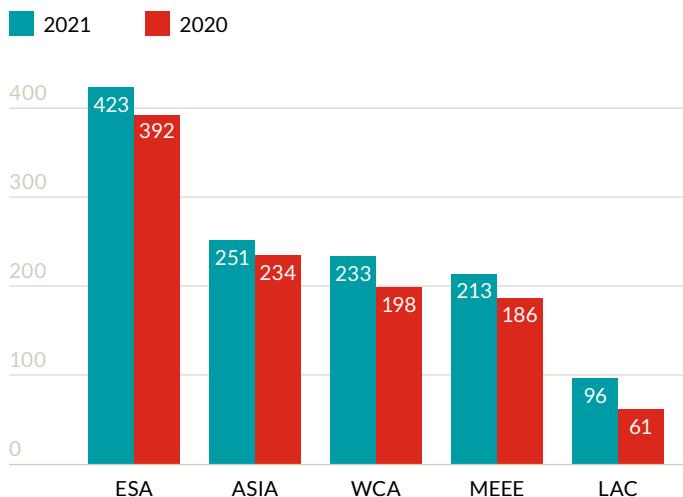


Figure 7
Spend by region
 US\$m



Reserves

SCI 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).

Reserves review 2021

As part of preparing the financial statements, management has reviewed the funds statement and have made three re-categorisations of our funds between restricted and unrestricted. This provides greater transparency, more appropriate and relevant information about SCI's financial position. Please refer to note 15 in the financial statements for more detail.

SCI's reserves comprise the following funds:

General Funds

General Funds comprises investment and other income arising through SCI's activities, and foreign exchange gains and losses. General funds increased from \$1.8 million to \$3.9 million due to \$2.4 gains on foreign exchange in 2021.

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 which has now been fully replenished by members in line with our agreement. The balance at the end of 2021 was therefore \$15 million (including unrecognised contingent assets of \$6.2 million).

Of the \$15 million total available reserves as of 31 December 2021, \$8.8 million is held by SCI (up from \$8.5 million in 2020) 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 SCI unconditional and irrevocable access to funds on demand in the event of reserves being required.

Strategic Investment Fund

This fund is used to pre-finance our High Performing Organisation project capital spend 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 to fund system developments was agreed with Save the Children members and the reserve will be replenished over the forthcoming years in accordance with that agreement. As a consequence, the Strategic Investment Fund will be in a negative position at the end of 2021 and for the next six years. The replenishment plan in place with all Save the Children members gives SCI a reasonable expectation of receiving income in the future. Per the replenishment plan, on an annual basis, members are providing funds to SCI for an amount equivalent to the annual depreciation of the High Performing Organisation capital costs and therefore the Strategic Investment Fund will be replenished for High Performing Organisation costs at the end of 2027.

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 \$4.2 million which is a 69% increase from the closing position as at December 2020, at \$1.3 million. This increase is driven predominantly by the new lease for the headquarters office in London, which was entered into at the beginning of the year as well as the estimation for personnel costs increasing slightly which would be incurred in the event of a wind down. 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

SCI 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 2021, 20% (compared to 21% in 2020) of expenditure was through partners.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons. The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the continued 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, SCI has:

- modelled its financial exposure based on 2022 budget assumptions, considering secure funding, programme operations and variable costs;
- reviewed its liquidity and cash flow forecasts;
- reviewed its International Programming Reserve level.

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.

Structure, governance and management

SCI 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. SCI's sole member is Save the Children Association, a Swiss Association formed pursuant to articles 60–79 of the Swiss Civil Code. SCI had eight wholly owned subsidiaries and one new associate, at 31 December 2021, details of which are given in Note 16 of the financial statements.

Board of trustees

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

i
Nine Trustees appointed by five member organisations who in the previous year were responsible for the greatest proportion of income to the delivery of Save the Children Association's international programming (the Appointed Trustees).

ii
Three Trustees elected by those member organisations that do not have appointed trustees (per (i) above).

iii
One Trustee who is elected by the Appointed Trustees.

iv
Four Trustees elected by all members of Save the Children Association.

The SCI 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. The Board has four committees: Audit and Risk; Finance; Governance; and People & Organisation. Each has at least five trustees as members.

The Audit & Risk Committee oversees matters concerning SCI's internal controls, risk strategy, appetite and management (including fraud and safeguarding risk and related management of incidents) and compliance. It is the point of contact for SCI's external auditors and also oversees the work of the global assurance function. The Finance Committee advises the board on financial management, budget and reporting, as well as on treasury, insurance and reserves. The Governance Committee oversees SCI's board and executive-level governance framework, including matters relating to the constitution of its board and board governance systems and processes. The People & Organisation committee determines policy for executive-level compensation (for CEO and certain other senior management roles), advises on organisational design and processes, and organisational culture, and has oversight of SCI's safeguarding policy and procedures.

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. In November 2021, on recommendation from the Board, members of Save the Children Association approved the creation of an additional three board seats (which was also be mirrored at SCI Board level), with individuals being elected by member organisations from communities where SCI undertakes substantial programming work. The three new board members are detailed in the administrative details section on page 35.

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 SCI in respect of the Trustees' Annual Report and the financial statements

The trustees are responsible for preparing the Trustees' Report (incorporating the strategic report and the directors' report) and the 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.
- 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.

In so far as the trustees are aware:

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

The trustees, in their capacity both as trustees and company directors, have reviewed and approved the trustees' report, which incorporates the directors' report and the requirements of the strategic report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Induction process for trustees

On appointment to the Board, trustees are provided with an induction pack including information on structure and governance of SCL; 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.

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:

- Boston Consulting Group donated Save the Children globally \$4.4 million in professional services and strategic support for regional and country strategy development, climate and digital initiatives, organisational efficiency and effectiveness and scale-up support, plus \$207k on secondments of key staff to work on different initiatives around the movement.
- Latham & Watkins LLP for donated legal services of \$1.2 million.
- Freshfields Bruckhaus Deringer LLP for donated legal services of \$3 million.
- Baker & McKenzie LLP for donated legal services of \$539k 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 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.

In addition, in 2021, Campbell Tickell also undertook an evaluation of the internal governance reform project which SCA/SCI had initiated in 2019. These reviews have supported SCA's and SCI's ongoing reflections on our adherence to the principles of good governance and continued development of best practice. While the 2019 Governance Reform project (and so the 2021 Campbell Tickell evaluation) were primarily focused on SCA Global Governance, they were of relevance to SCI, as a subsidiary of SCA. The evaluation confirmed significant progress on the themes of working as a global organisation, information flow, and accountability within the Save the Children movement. We have established mechanisms to ensure that we are working together in a transparent manner to ensure enhanced accountability globally. It also confirmed our prioritisation in 2021 of work to further develop our Boards, which has resulted in an expanded Board with new members announced in early 2022, and of our ongoing work to clarify and improve the efficiency of decision making.

For example, as detailed in section "SCI Board diversity" on page 32 in November 2021, in order to improve diversity in governance, members of Save the Children Association approved the creation of an additional three board seats (which was also be mirrored at SCI Board level), with individuals being elected by member organisations from communities where SCI undertakes substantial programming work.

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 on a regular basis.

Approval of the Trustees' Report

The Trustee's Report was approved by the Board of Trustees on 10 May 2022

Signed on behalf of the board of trustees by:



Angela Ahrendts

Chair of the Board of Trustees
25 May 2022

Administrative details

Trustees during 2021 and as at date of approval of the report

Angela Ahrendts – *Chair*
(from 5 January 2021)
Rolake Akinkugbe-Filani
(from 1 February 2022)
Roy Caple – *Vice Chair*
Tsitsi Chawatama (from 1 April 2022)
Robert Good
Debra Fine – *Vice Chair*
Anne Fahy
Tamara Ingram (until 31 March 2022)
Bradley Irwin
Larry Kamener (from 1 February 2022)
Deepak Kapoor (from 1 February 2022)
Jon Lomoy
Elizabeth Lule
Raymond Mankowitz
Margaret McGetrick
Teresa Mbagaya (from 1 February 2022)
Joon Oh (until 31 December 2021)
Claudio Tesauro
Dona Young

Board committee memberships as at 31 December 2021

Audit and Risk Committee

Margaret McGetrick – *Chair*
Anne Fahy
Debra Fine
Dona Young
Robert Good (until 2 March 2021)
Tamara Ingram (from 3 March 2021)

Finance Committee

Anne Fahy – (*Chair*)
Brad Irwin
Debra Fine
Margaret McGetrick
Robert Good (from 3 March 2021)

Governance Committee

Robert Good – (*Chair*)
Roy Caple
Dona Young
Claudio Tesauro
Joon Oh (until 31 December 2021)
Jon Lomoy (from 3 March 2021)

People and Organisation Committee

Roy Caple – (*Chair*)
Elizabeth Lule
Brad Irwin
Joon Oh (until 31 December 2021)
Tamara Ingram
Raymond Mankowitz

Senior Leadership Team

Chief Executive Officer
Inger Ashing
Chief Operating Officer
David Wright
Chief Financial Officer
Sam Sharpe
General Counsel
Clare Canning
Chief People Officer
Chet Kuchinad
Global Programme Quality and Impact Director
Bidjan Nashat (until 30 June 2021)
Global Programme Impact Director
Michelle Bowman (interim from 1 July 2021 to 13 February 2022)
Chief Impact Officer
Ebrima Saidy (from 14 February 2022)
Director of Resource Mobilisation, Communications and Engagement
Clare Rodger
Global Policy, Advocacy & Campaigns Director
Bidisha Pillai
Chief Transformation Officer
Michael Koutstaal

Members at 31 December 2021

Save the Children Australia
Save the Children Canada
Save the Children Denmark
Save the Children Dominican Republic
Save the Children Eswatini
Save the Children Fiji
Save the Children Finland
Save the Children Germany
Save the Children Honduras
Save the Children Hong Kong
Save the Children Iceland
Save the Children India
Save the Children Italy
Save the Children Japan
Save the Children Jordan
Save the Children Korea
Save the Children Lithuania
Save the Children Mexico
Save the Children Netherlands
Save the Children New Zealand
Save the Children Norway
Save the Children Romania
Save the Children Spain
Save the Children Sweden
Save the Children Switzerland
Save the Children UK
Save the Children US

Associate members at 31 December 2021

Save the Children Indonesia
Save the Children Philippines
Save the Children South Africa

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

JP Morgan

383 Madison Avenue
New York
New York 10179

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

Tax advisors

Crowe Clark
Whitehill
55 Ludgate Hill
London, EC4M 7JW

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 2021 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 of the charitable company's affairs as at 31 December 2021 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 the 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 above conclusions are 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 lead to participating audit teams of relevant fraud risks identified at the Group level and request to participating audit teams to report to the lead 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 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 lead to participating audit teams of relevant laws and regulations identified at the Group level, and a request for participating auditors to report to the lead audit 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 32, 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.

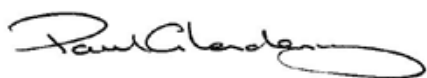
Auditor's responsibilities

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

26 May 2022

Financial statements

Consolidated statement of financial activities for the year ended 31 December 2021 (including an income and expenditure account)

	Notes	Unrestricted USD 000s	Restricted USD 000s	2021 Total USD 000s	2020 as restated Unrestricted USD 000s	2020 as restated Restricted USD 000s	Total USD 000s
Income from donations							
Grants and other donations		44,105	1,220,429	1,264,534	42,421	1,041,311	1,083,732
Gifts in kind	2(c)	257	68,720	68,977	-	77,637	77,637
Total income from donations	2(a)	44,362	1,289,149	1,333,511	42,421	1,118,948	1,161,369
Income from investments	2(d)	611	55	666	968	56	1,024
Other income	2(e)	732	228	960	2,492	817	3,309
Total incoming resources		45,705	1,289,432	1,335,137	45,881	1,119,821	1,165,702
Expenditure on raising funds		17	612	629	11	186	197
Expenditure on charitable activities							
International programs		38,373	1,230,089	1,268,462	33,779	1,083,762	1,117,541
Campaigning and advocacy		3,171	18,577	21,748	2,295	20,983	23,278
Growth and development of Save the Children		11	1,563	1,574	64	3,281	3,345
Total expenditure on charitable activities	3(a)	41,555	1,250,229	1,291,784	36,138	1,108,026	1,144,164
Total outgoing resources	3(a)	41,572	1,250,841	1,292,413	36,149	1,108,212	1,144,361
Net incoming resources for the year		4,133	38,591	42,724	9,732	11,609	21,341
Transfers between funds	15	6,150	(6,150)	-	11,594	(11,594)	-
Total funds brought forward as previously reported	15	36,735	53,289	90,024	24,252	44,431	68,683
Reclassification of funds	15	13,971	(13,971)	-	5,128	(5,128)	-
Funds brought forward as restated	15	50,706	39,318	90,024	29,380	39,303	68,683
Total funds carried forward	15	60,989	71,759	132,748	50,706	39,318	90,024

As part of preparing the financial statements, management has reviewed the funds statement and have made three recategorisations of funds between restricted and unrestricted. Please refer to note 15 for more detail. This change in accounting policy has been retrospectively applied by restating the opening position in 2020 and restating the restricted and unrestricted income and expenditure in the prior year comparatives for the year ended 31 December 2020 in the above consolidated statement of financial activities.

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 2021 were USD 42,260,767 (2020: net outgoing resources of USD 32,958,736). The notes on pages 43 to 64 form part of these financial statements.

Consolidated and charity balance sheet as at 31 December 2021

	Notes	2021 Group USD 000s	2021 Charity USD 000s	2020 as restated Group USD 000s	2020 as restated Charity USD 000s
Fixed assets					
Tangible fixed assets	5	26,671	26,393	22,913	22,685
		26,671	26,393	22,913	22,685
Current assets					
Stock	6	24,200	23,518	17,879	17,231
Debtors	7	161,033	157,945	125,897	123,819
Investments	8	31,579	31,579	82,667	82,667
Cash at bank and in hand	9	222,853	220,200	156,461	155,443
		439,665	433,242	382,905	379,160
Current liabilities					
Creditors: amounts falling due within one year	10	(273,020)	(271,559)	(263,046)	(260,900)
Net current assets		166,645	161,683	119,858	118,260
Provisions	11	(60,568)	(58,242)	(52,747)	(50,747)
Provisions and long term liabilities		(60,568)	(58,242)	(52,747)	(50,747)
Total net assets		132,748	129,834	90,024	90,198
Unrestricted funds					
General funds		3,854	3,854	1,751	1,751
Designated funds		57,135	52,976	48,955	46,454
Total unrestricted funds	15	60,989	56,830	50,706	48,205
Restricted funds	15	71,759	73,004	39,318	41,993
Total funds	15	132,748	129,834	90,024	90,198

As part of preparing the financial statements, management has reviewed the funds statement and have made three recategorisations of funds between restricted and unrestricted. Please refer to note 15 for more detail. This change in accounting policy has been retrospectively applied by restating the opening position in 2020 and restating the restricted and unrestricted funds in the prior year comparatives for the year ended 31 December 2020 in the above consolidated and charity balance sheet.

The notes on pages 43 to 64 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
25 May 2022

Peg McGetrick

Margaret McGetrick
Chair of the Audit and Risk Committee
Save the Children International
20 May 2022

Company registration number:
3732267

Consolidated cash flow statement for the year ended 31 December 2021

	2021 USD 000s	2020 USD 000s
Cash flows from operating activities		
Net incoming resources for the year	42,724	21,341
Depreciation	5,917	3,521
Interest receivable and similar income	(666)	(1,024)
Gains on disposal of tangible fixed assets	(350)	(2,818)
Increase in stocks of gifts in kind	(4,293)	(498)
	43,332	20,522
Increase in debtors	(35,135)	19,879
Increase in stocks of purchased goods	(2,028)	(200)
Increase in creditors	9,974	20,302
Increase in provisions	7,821	3,077
Increase in carrying value of associated company	(219)	-
	(19,587)	43,058
Net cash from operating activities	23,745	63,580
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(9,675)	(10,271)
Proceeds from the sale of assets	349	2,809
Interest received	666	1,024
Net cash from investing activities	(8,660)	(6,438)
Net cash flows for the year ended 31 December	15,085	57,142
Change in cash and cash equivalents in the financial year		
Cash and cash equivalents at the beginning of the financial year	239,128	181,986
Net cash inflows for the financial year	15,085	57,142
Cash and cash equivalents at the end of the financial year	254,213	239,128
Represented by:		
Cash at bank and in hand	222,853	156,461
Short term deposits	31,360	82,667
Total cash and cash equivalents	254,213	239,128

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 2021

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.

b The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons. The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the continued 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 financial exposure based on 2022 budget assumptions, considering secure funding, programme operations and variable costs;
- reviewed its liquidity and cash flow forecasts;
- reviewed its International Programming Reserve level.

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.

c Basis of consolidation

The group accounts incorporate those of the wholly owned subsidiaries and associate 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. The associate is valued as Save the Children International's 10% sharing holding of the value of the net assets of the company as at 31 December 2021 and is included in the investments on the consolidated and charity balance sheet.

d 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 35. The Charity is a Public Benefit Entity as defined in FRS 102.

e 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 and investment activity is recognised when entitlement falls due following the agreed schedule in accordance with a Member Contribution Agreement.

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.

f 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 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.

g Stock

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

Stock write offs – if access to inventory is not possible due to any restricted access to warehouses, as a result of safety and security concerns, Save the Children International is therefore unable to receive, distribute or count goods and therefore this means that the service potential on those goods is compromised. Save the Children International may be cut off from the rewards of ownership, which may result in the derecognition of stock.

h 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.

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.

i 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.

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred, and is allocated as part of the expenditure to which it relates.

j Foreign currencies

The functional currency of Save the Children International is US Dollars. The exchange rate to Sterling at 31 December 2021 was 1.35 (31 December 2020: 1.33).

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.

k Financial instruments

Financial instruments include forward currency contracts for multiple denominations. As the contracts manage general exchange risk, hedge accounting is not used and the contracts are included in the balance sheet at fair value (as either debtors or creditors), with gains/losses recognised in the statement of financial activities.

All financial instruments at the 31st December 2021 were for a maturity date of less than one year.

l Debtors

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

m Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis 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
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.

n 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.

o 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.

p 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.

q 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. Please see note 15 for details.

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.

r 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. Other investments are recorded at a fair market value where such a value can be reliably measured, otherwise they are recorded at cost.

s *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.

t *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:

Gifts in kind are valued by Save the Children staff with regard to market prices when distributed. In cases where the donor has not provided a valuation the most recently available average wholesale acquisition cost will be used to value the GIK.

Provisions – the Group has made significant provision for potential tax liabilities. Management believe that these provisions are appropriate based on information currently available and are calculated as the best estimate of the expenditure required to settle or to transfer it to a third party at the reporting date 31 December 2021.

2 Income

a Income from donations

	2021 Grants and other donations USD 000s	2021 Gifts in kind donated services USD 000s	2021 Gifts in kind donated goods USD 000s	2021 Total USD 000s	2020 Total USD 000s
Amounts received directly from Save the Children member organisations					
Australia	12,083	331	-	12,414	14,274
Canada	26,849	563	-	27,412	18,442
Denmark	43,987	215	-	44,200	39,663
European Union	-	242	-	242	-
Fiji	-	2	-	2	-
Finland	18,683	-	-	18,683	17,784
Germany	56,860	16	-	56,876	47,452
Hong Kong	8,263	23	-	8,286	9,123
Iceland	-	-	-	-	353
Indonesia	-	127	-	127	-
Italy	70,896	-	-	70,886	35,322
Japan	6,760	-	-	6,760	6,439
Korea	21,519	-	-	21,507	12,376
Netherlands	36,020	91	-	36,111	30,857
New Zealand	2,110	-	-	2,110	2,268
Norway	106,832	200	-	107,032	92,090
Philippines	-	351	-	351	-
Spain	17,172	-	1,306	18,478	20,672
Sweden	88,080	271	1,672	90,023	76,749
Switzerland	11,668	-	-	11,667	9,646
United Kingdom	156,763	609	2,548	159,920	188,842
United States	518,618	3,054	46,349	568,046	473,163
Total amounts received directly from members	1,203,163	6,095	51,875	1,261,133	1,095,515
Other amounts					
Save the Children Association – Core Fund	17,791	-	-	17,791	16,490
Save the Children Association – Strategic Investment Fund	18,199	-	-	18,199	16,479
Save the Children Association – Other Funds	3,615	-	-	3,615	3,990
Professional services directly provided to Save the Children International	-	10,250	-	10,250	12,916
Direct grants and donations in Save the Children International country programmes	17,818	-	757	18,575	14,700
Other grants and donations	3,948	-	-	3,948	1,279
Total other amounts	61,371	10,250	757	72,378	65,854
Total income from donations	1,264,534	16,345	52,632	1,333,511	1,161,369

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.	2021 USD 000s	2020 USD 000s
United States Agency for International Development / Bureau for Humanitarian Assistance (USA)	258,906	203,268
Global Fund to Fight AIDS, TB and Malaria	68,910	50,359
World Food Programme	41,084	49,073
Norwegian Agency for Development Cooperation / Norway Ministry of Foreign Affairs	38,930	40,768
European Civil Protection and Humanitarian Aid Operations (European Commission)	50,779	38,298
Swedish International Development Cooperation Agency	46,034	37,424
Education cannot wait	37,244	33,736
International Cooperation and Development (European Commission)	40,348	30,199
United Nations Office for the Co-ordination of Humanitarian Affairs	24,183	24,673
Global Partnership for Education Fund – World Bank	36,526	22,177
Foreign, Commonwealth & Development Office (FCDO)	17,225	21,646
United Nations Children's Fund	24,890	19,037
United Nations Office for Project Services	6,984	18,927

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

	2021 USD 000s	2020 USD 000s
Donated services		
Professional services	10,250	12,916
Services donated by members	6,095	5,505
Total donated services	16,345	18,421
Donated goods		
Food aid	28,740	37,879
Pharmaceutical supplies	17,101	13,885
Other supplies	6,791	7,452
Total donated goods	52,632	59,216
Total gifts in kind	68,977	77,637

Save the Children International received benefits in the form of volunteers during 2021. The income from gifts in kind does not include a valuation for these benefits.

d Income from investments and short term deposits

	2021 USD 000s	2020 USD 000s
Bank interest	132	137
Interest and gains on short term deposits	528	877
Other interest	6	10
Total income from investments	666	1,024

e Other income

	2021 USD 000s	2020 USD 000s
Sales of assets	349	2,809
Rental income	216	74
Other income	395	426
Total other income	960	3,309

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	2021 Total USD 000s	2020 Total USD 000s
Expenditure on raising funds	264	259	–	93	13	629	197
Charitable activities							
Education	89,217	88,260	7,506	142,880	13,766	341,629	283,982
Livelihoods	37,379	21,927	7,339	112,564	10,323	189,532	157,298
Health	75,734	59,804	5,695	126,515	12,030	279,778	273,163
Child protection	69,393	33,963	1,745	69,952	6,848	181,901	148,910
Nutrition	49,019	15,354	24,336	98,277	9,088	196,074	190,031
HIV/AIDS	5,515	33,960	6,245	8,514	1,028	55,262	46,160
Child rights governance	7,251	8,545	–	7,701	789	24,286	17,997
Campaigning and advocacy	17,272	476	–	3,570	430	21,748	23,278
Growth and development of Save the Children	–	1,554	–	8	12	1,574	3,345
Support costs (c)	30,214	(20)	6,666	17,467	(54,327)	–	–
Total expenditure on charitable activities	380,994	263,823	59,532	587,448	(13)	1,291,784	1,144,164
Total expenditure	381,258	264,082	59,532	587,541	–	1,292,413	1,144,361
2020 total expenditure	348,544	236,420	65,850	493,547	–	1,144,361	

Expenditure on fundraising was incurred by one subsidiary in Colombia.

b Contextual analysis of expenditure

	2021 USD 000s	2021 % of costs	2020 USD 000s	2020 % of costs
Development programmes	656,192	51%	556,552	49%
Humanitarian response	636,221	49%	587,809	51%
	1,292,413	100%	1,144,361	100%

c Support costs and the basis of their allocation

	2021 USD 000s	2020 USD 000s
Support category:		
Leadership and governance	4,793	5,857
Financial management	9,148	8,700
Information systems	6,237	6,081
Human resources	5,648	5,689
Facilities and administration	2,575	4,274
Total management and administration expenditure	28,401	30,601
Investment in system improvements	18,977	13,473
Members' donated services	2,648	1,550
Pro-bono professional services	6,666	5,278
Gains on foreign exchange	(2,365)	(1,938)
Total support costs	54,327	48,964

All of the above support cost categories have been allocated to the charitable activities and the expenditure on raising funds on a pro-rata basis of allocation by thematic programme expenditure.

d Expenditure through partners

	2021 USD 000s	2020 USD 000s
Partner Organisation		
PSI Population Service International	5,129	6,700
Norwegian Refugee Council (Ethiopia)	3,781	3,850
Finn Church Aid – South Sudan	3,494	1,701
AHRN Asian Harm Reduction Network	3,419	3,143
Bal Raksha Bharat (Save the Children India)	3,394	2
Ministry of Health – Puntland	2,855	2,928
Association pour la Promotion de la Santé de la Femme, de la mère, de l'enfant et de la Famille	2,736	1,723
Shimantik	2,682	549
Norwegian Refugee Council – South Sudan	2,550	1,187
International Organization for Migration	2,256	2,491
ONG La Grace Divine Eternelle (O.GRA.DI.E)	2,215	1,505
Shafak	2,167	1,940
International HIV/AIDS Alliance Myanmar	2,162	2,236
ASAPSU Cote D'Ivoire	2,129	1,435
World Vision United States	2,083	1,385
Myanmar Positive Group	2,029	945
American Refugee Committee International	1,988	176
Gargaar relief and development organisation	1,936	2,074
Association Ivoirienne pour le Progres	1,934	1,274
International Rescue Committee bureau Cote d'Ivoire	1,921	1,464
ACF Action Against Hunger	1,887	288
KTWG Karen Teacher Working Group	1,864	1,277
Plan International Netherlands	1,722	653
MA'AN Development Center	1,670	1,869
Somaliland Ministry of Education and Science	1,641	2,155
ETH World Vision	1,640	163
Ihsan for Relief and Development (Ihsan Insani Yardim Ve Dayanisma Dernegi)	1,606	1,047
MDM Médecins du Monde	1,591	(163)
ONG Service d'Assistance Pharmaceutique et Médicale	1,545	597
World Vision UK	1,525	1,385
Nyein (Shalom) Foundation	1,523	900
Mercy Corps	1,486	724
CARE Denmark	1,468	1,188
Association of Upper Egypt For Education and Development	1,450	871
Christian Mission for Development	1,445	420
Finn Church Aid Uganda	1,440	1,923
National Association of PLWHA in Nepal	1,424	1,789
CARE	1,423	2,961
LAO Room to Read	1,395	1,382
HKI Helen Keller International	1,377	1,152
Ministry of Education Culture and Higher Education	1,352	440
Friends in Village Development Bangladesh	1,307	1,978
Alliance des Religieux contre le VIH/SIDA et les autres Pandémies	1,257	663
International Rescue Committee Deutschland	1,249	575
Violet Organization for relief and development (Meneksa Orginazasion Sosyal Yardimlasma Ve Daynisma Dernegi)	1,245	2,056
CARE Nederland	1,212	3,034
Health Poverty Action – MMR	1,201	1,198
Mon National Education Committee	1,176	508
Institute of Healthcare Improvement	1,130	869
Asociación Civil Fe y Alegría	1,099	1,007
Expenditure through other partners	167,872	162,803
Total expenditure	264,082	236,420

In previous years we have published this list of our top 50 partners separately on our website, found here:
www.savethechildren.net/about-us/accountability.

e Geographical analysis of expenditure

	2021 USD 000s	2020 USD 000s
Afghanistan	31,569	27,106
Bangladesh	60,292	60,399
Cambodia	8,631	8,008
Central Asia	4	-
China	8,340	8,043
Democratic People's Republic of Korea	4	-
Laos	10,078	11,197
Myanmar	61,175	60,269
Nepal and Bhutan	37,799	32,153
Philippines	9	-
Sri Lanka	6,593	2,651
Thailand	5,554	5,225
Vietnam	9,745	8,554
Asia regional office – programme expenditure	6,135	5,315
Asia regional office – oversight and support	5,487	4,690
Asia	251,415	233,610
Albania	3,801	3,136
Armenia	-	244
Egypt	14,271	12,650
Northwest Balkans	6,764	5,447
Georgia	562	507
Occupied Palestinian Territory	16,079	12,312
Iraq	17,249	17,853
Kosovo	3,020	2,138
Lebanon	26,638	18,220
Syria	31,252	31,653
Turkey	4,636	3,845
Ukraine	3,900	2,131
Yemen	77,278	71,217
Middle East and Eastern Europe regional office – programme expenditure	4,848	2,328
Middle East and Eastern Europe regional office – oversight and support	2,710	2,414
Middle East and Eastern Europe	213,008	186,095
Bolivia	5,818	5,269
Colombia	29,005	20,264
El Salvador	6,585	5,590
Guatemala	18,860	9,518
Haiti	6,062	3,876
Nicaragua	4,230	1,914
Peru & Ecuador	13,783	7,134
Venezuela	6,576	2,854
Latin America and Caribbean regional office – programme expenditure	3,296	3,128
Latin America and Caribbean regional office – oversight and support	1,729	1,273
Latin America and Caribbean	95,944	60,820

e Geographical analysis of expenditure (continued)

	2021 USD 000s	2020 USD 000s
Burkina Faso	17,943	14,568
Cote d'Ivoire	40,075	28,235
Democratic Republic of the Congo	26,279	35,923
Liberia	6,930	9,597
Mali	27,643	22,084
Niger	26,704	20,593
Nigeria	64,346	45,174
Senegal	6,840	10,151
Sierra Leone	8,099	4,347
West and Central Africa regional office – programme expenditure	5,634	4,648
West and Central Africa regional office – oversight and support	2,569	2,709
West and Central Africa	233,062	198,029
Ethiopia	76,911	69,852
Kenya	16,758	11,707
Malawi	17,967	15,777
Mozambique	23,963	26,088
Rwanda	7,797	8,353
Somalia	107,647	116,963
South Sudan	50,100	37,168
Sudan	39,056	31,250
Tanzania	12,795	12,035
Uganda	41,751	37,498
Zambia	8,623	5,622
Zimbabwe	8,682	12,071
East and Southern Africa regional office – programme support	6,573	3,495
East and Southern Africa regional office – oversight and support	4,451	4,314
East and Southern Africa	423,074	392,193
Addis Ababa	769	821
Geneva	1,405	1,399
New York	821	478
Save the Children advocacy offices	2,995	2,698
Save the Children International centre	57,552	59,957
Central management of emergency preparedness	1,158	2,216
Global strategic investment programme	14,205	8,743
Total expenditure	1,292,413	1,144,361

f Net income for the year is stated after charging:

	2021 USD 000s	2020 USD 000s
Auditor's remuneration:		
Audit of these financial statements	698	627
Amounts receivable by the charity's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the charity	44	38
Audit of financial statements of branches of the charity	196	139
Other assurance services	357	388
Non-audit services	3	-
Lease rental payments	18,576	16,595
Depreciation	5,917	3,521

g Trustees' remuneration

None of the trustees received any remuneration from the charity during 2021 (2020: nil). None of the trustees received any other benefits in kind during 2021 (2020: nil)

Expenses, including travel and subsistence were reimbursed to trustees or paid to third parties on behalf of trustees as follows: 2 trustees totalling USD 1,908 (2020: 9 trustees totalling USD 9,449).

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

	2021 USD 000s	2020 USD 000s
Wages and salaries	295,677	272,872
Social security costs and payroll taxes	9,267	7,780
Pension and post employment benefits	10,038	9,144
Terminal grants	17,231	13,825
Benefits in kind	27,808	23,246
Other staff costs	15,142	16,172
Total direct staff costs	375,163	343,039
Donated staff costs from members	6,095	5,505
Total staff costs	381,258	348,544

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 1,807,960 (2020: USD 1,648,728). There were no outstanding or prepaid contributions at year end. We have a number of pension schemes all of which are defined contribution schemes.

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, which are included in the above note under wages and salaries, were USD 3,380,718 (2020: USD 3,154,679).

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).

Save the Children International has not made any redundancy payments which were either paid during the year or had been communicated before 31 December 2021 (2020: USD 276,889). These costs were higher in 2020 due to the organisational review which occurred in the previous year.

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

	Country offices	Regional offices	Advocacy offices	Centre	2021 Total	2020 Total
Charitable activities	15,554	338	28	430	16,350	15,913
Fundraising	8	–	–	–	8	7
	15,562	338	28	430	16,358	15,920

c The table below shows the number of staff (including secondees from members) with emoluments falling in the following ranges, starting from USD 60,000. 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)	2021 Gross salaries	2021 Total emoluments (including other benefits)	2020 Gross salaries	2020 Total emoluments (including other benefits)
60,001 – 75,000	251	286	244	294
75,001 – 90,000	121	149	122	173
90,001 – 105,000	47	88	59	81
105,001 – 120,000	24	60	16	51
120,001 – 135,000	14	25	12	31
135,001 – 150,000	3	19	8	24
150,001 – 165,000	7	13	2	15
165,001 – 180,000	2	7	5	9
180,001 – 195,000	2	5	2	8
195,001 – 210,000	2	6	1	1
210,001 – 225,000	–	–	1	3
225,001 – 240,000	1	1	1	1
240,001 – 255,000	1	3	–	3
255,001 – 270,000	–	1	–	1
270,001 – 285,000	1	1	–	1
285,001 – 300,000	–	–	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 2021 are detailed below.

Position	No of Senior Leadership Team roles 2021	Actual gross remuneration 2021 USD	Full time equivalent salary 2021 USD	No of Senior Leadership Team roles 2020	Full time equivalent salary 2020 USD
Chief Executive Officer		270,255	270,255		274,897
Chief Operating Officer		246,452	246,452		235,199
Chief Financial Officer		176,226	176,226		174,612
Other Senior Leadership Team members	6	1,230,113	1,195,918	6	1,178,244
Total remuneration for key mangament personnel		1,923,046			

In addition to the gross salaries USD 197,206 (2020: USD 276,406) was paid for employer's National Insurance and pension contributions in respect of the above individuals.

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 2021	29,020	1,009	7,779	983	2,668	41,459
Additions	6,239	58	2,532	846	-	9,675
Disposals	-	(1)	(1)	-	-	(2)
Carried forward at 31 December 2021	35,259	1,066	10,310	1,829	2,668	51,132
Depreciation						
Brought forward at 1 January 2021	9,910	895	6,245	833	663	18,546
Charge for the financial year	4,907	27	789	70	124	5,917
Disposals	-	(1)	(1)	-	-	(2)
Carried forward at 31 December 2021	14,817	921	7,033	903	787	24,461
Net book value						
31 December 2021	20,442	145	3,277	926	1,881	26,671
31 December 2020	19,110	114	1,534	150	2,005	22,913

<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 2021	28,926	1,014	7,196	983	2,667	40,786
Additions	6,239	46	2,442	846	–	9,573
Disposals	–	(1)	(1)	–	–	(2)
Carried forward at 31 December 2021	35,165	1,059	9,637	1,829	2,667	50,357
Depreciation						
Brought forward at 1 January 2021	9,817	890	5,898	833	663	18,101
Charge for the financial year	4,907	27	737	70	124	5,865
Disposals	–	(1)	(1)	–	–	(2)
Carried forward at 31 December 2021	14,724	916	6,634	903	787	23,964
Net book value						
31 December 2021	20,441	143	3,003	926	1,880	26,393
31 December 2020	19,109	124	1,298	150	2,004	22,685

All fixed assets are held for direct charitable purposes.

Leasehold property amounts all relate to long-term leases.

6 Stock

	2021 USD 000s Group	2021 USD 000s Charity	2020 USD 000s Group	2020 USD 000s Charity
<i>Undistributed gifts in kind</i>				
Food aid	9,509	9,509	3,682	3,682
Pharmaceutical and medical goods	1,687	1,695	1,993	2,001
Other goods	246	420	1,474	1,352
Total undistributed gifts in kind	11,442	11,624	7,149	7,035
<i>Other stocks</i>				
Food aid	1,101	1,101	195	195
Pharmaceutical and medical goods	8,779	8,664	6,204	6,130
Other goods	2,878	2,129	4,331	3,871
Total other stocks	12,758	11,894	10,730	10,196
Total stock	24,200	23,518	17,879	17,231

7 Debtors

	2021 USD 000s Group	2021 USD 000s Charity	2020 USD 000s Group	2020 USD 000s Charity
Amounts due from Save the Children members	138,924	138,336	112,259	111,878
Other debtors	11,802	9,953	2,892	1,655
Prepayments and accrued income	10,307	9,656	10,746	10,286
	161,033	157,945	125,897	123,819

8 Investments

	2021 USD 000s Group	2021 USD 000s Charity	2020 USD 000s Group	2020 USD 000s Charity
Short Term deposits	31,360	31,360	82,667	82,667
Associated company	219	219	-	-
	31,579	31,579	82,667	82,667

Included in short term deposits, we have bank term deposits, all of which mature within three months.

9 Cash at bank and in hand

	2021 USD 000s Group	2021 USD 000s Charity	2020 USD 000s Group	2020 USD 000s Charity
Cash held at centre	189,113	189,113	132,611	132,611
Cash held in overseas offices	33,740	31,087	23,850	22,832
	222,853	220,200	156,461	155,443

10 Creditors due within one year

	2021 USD 000s Group	2021 USD 000s Charity	2020 USD 000s Group	2020 USD 000s Charity
Amounts due to Save the Children Association	4,547	4,547	2,227	2,227
Amounts payable to Save the Children members	180,142	179,827	189,825	189,825
Amounts due to subsidiary undertakings	-	5,347	-	328
Trade creditors	14,738	14,186	7,598	7,429
Financial instrument liability	519	519	80	80
Other short term liabilities	12,577	11,582	10,443	9,967
Accruals and deferred income	60,497	55,551	52,873	51,044
	273,020	271,559	263,046	260,900

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 2021 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 2021 USD 000s
Terminal grant provisions	40,848	2,957	(624)	-	43,181
Property dilapidations	559	96	(31)	-	624
Operating lease provision	112	274	(25)	-	361
Provision for tax liability	6,622	3,327	(6)	(1,207)	8,736
Other provisions	4,606	5,334	(2,087)	(187)	7,666
	52,747	11,988	(2,773)	(1,394)	60,568

Total provisions held within the Save the Children International charity only were \$58,242,000 (2020: \$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

	2021 Unrestricted USD 000s	2021 Restricted USD 000s	2021 Total USD 000s
Fixed assets	26,671	-	26,671
Current assets	367,906	71,759	439,665
Current liabilities	(273,020)	-	(273,020)
Provisions	(60,568)	-	(60,568)
	60,989	71,759	132,748

As part of preparing the financial statements, management has reviewed the funds statement and have made three recategorisations of funds between restricted and unrestricted. Please refer to note 15 for more detail. This change in accounting policy has been retrospectively applied by restating the opening position in 2021 and restating the restricted and unrestricted funds in the prior year comparatives for the year ended 31 December 2020 in the above note.

13 Commitments under operating leases

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

	2021 Land and buildings USD 000s	2021 Other leases USD 000s	2020 Land and buildings USD 000s	2020 Other leases USD 000s
lease payments recognised as current year expense	16,272	2,304	15,903	692
lease payments due within one year	13,532	416	12,600	725
lease payments due between one and five years	8,952	57	8,104	201
lease payments due after five years	457	26	661	25
	22,941	499	30,198	951

14 Financial commitments

a At 31 December 2021, 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 2021 USD 000s	Charged to SOFA in 2021 USD 000s	New commitments USD 000s	Balance as at 31 December 2021 USD 000s
Commitments to partner organisations	229,249	(264,082)	289,579	254,746
			2021 USD 000s	2020 USD 000s
Commitments to partner organisations consist of amounts falling due:				
within one year			166,860	156,879
after one year			87,886	72,370
			254,746	229,249

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 previously reported	Reclassification of funds	Balance as at 1 January 2020 USD 000s restated	Income USD 000s	Expenditure USD 000s	Transfers USD 000s	Balance as at 31 December 2021 USD 000s
<i>Unrestricted funds</i>							
General funds	1,751		1,751	19,403	(15,668)	(1,632)	3,854
Fixed asset fund	25,185		25,185	207	(1,794)	6,954	30,552
International programming designated funds**		13,971	13,971	26,095	(24,110)	(2,336)	13,620
International programming reserve	8,499		8,499	-	-	301	8,800
Closure reserve	1,300		1,300	-	-	2,863	4,163
Designated funds	34,984	13,971	48,955	26,302	(25,904)	7,782	57,135
Total unrestricted funds	36,735	13,971	50,706	45,705	(41,572)	6,150	60,989
<i>Restricted funds</i>							
International programme grants	41,937		41,937	1,211,863	(1,173,287)	(758)	79,755
International programme operational fund	9,416	(5,557)	3,859	44,489	(44,417)	1,440	5,371
Strategic Investment Fund	133	(8,414)	(8,281)	20,118	(20,383)	(6,819)	(15,365)
Donated professional services	-		-	11,247	(11,247)	-	-
Member growth fund	1,803		1,803	1,715	(1,507)	(13)	1,998
Total restricted funds	53,289	(13,971)	39,318	1,289,432	(1,250,841)	(6,150)	71,759
Total funds	90,024	-	90,024	1,335,137	(1,292,413)	-	132,748

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 2022. 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.

15 Consolidated statement of funds (continued)

**International Programming designated funds represents non-award funds, disallowance reserve and funded provisions and pre-financed fixed assets.

As part of preparing the financial statements, management has reviewed the funds statement to ensure all funds have been correctly categorised between restricted and unrestricted. As a result of this review and approval from the Save the Children International board of trustees, management have made three recategorisations of funds from the International Programming operational fund (restricted) to the IP designated funds (unrestricted) as a result of the nature and size of these funding streams changing over time:

1) The Non-Award Funding (NAF): The NAF are contributions from members for costs which cannot be charged to donors. This fund began as a specific grant to country offices to cover costs not chargeable to donor grants. It was intended as a stopgap for some countries until such costs could be charged to donors. It has since extended and is now treated as an unrestricted grant to Save the Children International which is used to cover non-chargeable costs and a contingency fund to cover unplanned costs;

2) The Disallowance Fund: This fund is to cover any expected disallowances with our donors. This is a fund which Save the Children International designates to this defined use. We are not charging these costs to the members when we are creating the provision and recognising the expenditure, but if they were to crystallise we would be funding these via the NAF in the year they are payable. It therefore makes sense for this fund to sit in the "International Programming designated funds" line, to sit alongside the NAF;

3) The Provisions and Pre-financed Fixed Assets: This is a designated fund which is ring-fenced to cover any provisions which are made each year. There is no associated income for this fund, so this is a debit balance on the fund. If these liabilities were to crystallise these would be funded from the NAF, therefore it is appropriate for these to be aggregated with NAF income within international programming designated funds.

These re-categorisations of these funds is a change in Save the Children International's accounting policy on how to present these funds. Management believes this provides greater transparency and gives more appropriate and relevant information about Save the Children International's financial position. The change in accounting policy has been retrospectively applied by restating the opening position in 2020 and restating the restricted and unrestricted expenditure in the prior year comparatives in the SOFA and balance sheet. This has impacted the SOFA, balance sheet and note 12.

We include the following tables to summarise the impact of the reclassification on the comparatives presented in these accounts.

We note there is no impact on total balances, only the split between restricted and unrestricted funds.

Impact on Statement of Financial Activities comparatives

	Balance at 1 January 2020 (previously reported)	Reclassification of funds in opening balance	Balance at 1 January 2020 (restated)	Net income in 2020 (previously reported)	Net income in 2020 (restated)	Transfers between funds (previously reported)	Transfers between funds (restated)	Balance at 31 December 2020 (restated)
Unrestricted Funds	24,252	5,128	29,380	3,013	9,732	9,470	11,594	50,706
Restricted Funds	44,431	(5,128)	39,303	18,328	11,609	(9,470)	(11,594)	39,318
Total funds	68,683	-	68,683	21,341	21,341	-	-	90,024

Impact on Balance Sheet comparatives

	Group Balance at 31 Dec 2020 (previously reported)	Charity Balance at 31 Dec 2020 (previously reported)	Group Balance at 31 Dec 2020 (restated)	Charity Balance at 31 Dec 2020 (restated)	Group & Charity Reclassification of Funds as at 31 Dec 2020
Unrestricted Funds	36,735	34,234	50,706	48,205	(13,971)
Restricted Funds	53,289	55,964	39,318	41,993	13,971
Total Funds	90,024	90,198	90,024	90,198	-

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. This has been topped up this year due to the signing of the renewed lease for the centre office based in London.

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.

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.

The use of the Strategic Investment Fund has been revised to show greater transparency and better understanding on how we pre-finance the High Performing Organisation (HPO) capital spend. As a consequence, the strategic investment fund will be in a negative position at the end of 2021 and for the next six years. Save the Children International have a replenishment plan in place with all funding members which gives a reasonable expectation of receiving income in the future. Per the replenishment plan, on an annual basis, members are providing funds to Save the Children International for an amount equivalent to the annual depreciation of the HPO capital costs and therefore the SIF funding will be replenished for HPO costs at the end of 2027.

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.

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. This has been topped up this year due to the signing of the renewed lease for the centre office based in London.

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.

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 2021:

- 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.
- b *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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	1,308	1,024
Liabilities	(1,165)	(799)
Total net assets	143	225
Income	11,417	10,190
Expenditure	(11,627)	(10,042)
Net incoming resources	(210)	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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	815	604
Liabilities	(747)	(576)
Total net assets	68	28
Income	3,842	3,138
Expenditure	(3,802)	(3,136)
Net incoming resources	40	2

16 Subsidiary companies (continued)

d *Save the Children International (Kenya)* is incorporated in Kenya under the Non-Governmental Organizations 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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	5,744	2,302
Liabilities	(4,935)	(2,048)
Total net assets	809	254
Income	17,314	12,005
Expenditure	(16,758)	(11,708)
Net incoming resources	556	297

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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	2,094	217
Liabilities	(2,300)	(161)
Total net assets	(206)	56
Income	8,360	5,642
Expenditure	(8,623)	(5,622)
Net incoming resources	(263)	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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	52	167
Liabilities	(52)	(167)
Total net assets	-	-
Income	821	478
Expenditure	(821)	(479)
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 2021 were as follows:

	2021 USD 000s	2020 USD 000s
Assets	2,156	1,312
Liabilities	(1,356)	(1,110)
Total net assets	1,151	202
Income	29,843	20,524
Expenditure	(29,005)	(20,265)
Net incoming resources	838	259

16 Subsidiary companies (continued)

h *Asociacion Civil Save the Children International 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 8th October 2019.

	2021 USD 000s	2020 USD 000s
Assets	359	6
Liabilities	(344)	98
Total net assets	15	104
Income	6,481	2,929
Expenditure	(6,572)	(2,824)
Net incoming resources	(91)	105

i *Fintech for International Development Ltd* was incorporated in 2021. Save the Children International holds 10% of the equity and due to its significant influence over the activities and direction of the company, it is considered to be an associate. During 2021, the company gained additional investors, which reduced SCI's stake in the company from 100% to 10%. At the date of investment, the net assets of SCI's share of the associate was \$219k, which was recognised in investments in the balance sheet and as a profit on disposal. There have been no changes to the net assets of the company since the initial investment transaction.

	2021 USD 000s	2020 USD 000s
Assets	2,083	-
Liabilities	(94)	-
Total net assets	1,989	-
Save the Children International's share of net assets	219	-

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 2021 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 39,604,999 (2020: USD 36,959,327) 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:

	2021 USD 000s	2020 USD 000s
Amounts due from / (payable to) the Save the Children Association	(4,547)	(2,227)

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 1,203,163,000 (2020: USD 1,032,120,000) was received from the members for international programming activities.
- ii Donated services of USD 6,095,000 (2020: USD 5,505,000) were received from members.
- iii Donated goods of USD 51,875,000 (2020: USD 57,890,000) were received from members.
- iv Contributions to the charity's working capital of USD 28,940,329 (2020: USD 35,181,000) 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:

	2021 Amounts receivable USD 000s	2021 Amounts payable USD 000s	2021 Net balance USD 000s	2020 Net balance USD 000s
Save the Children member organisation				
Australia	1,170	(3,892)	(2,722)	(1,785)
Canada	2,821	(6,219)	(3,398)	(1,697)
Denmark	5,262	(3,511)	1,751	(1,614)
European Union	149	-	149	279
Finland	1,616	(3,681)	(2,065)	(167)
Germany	6,328	(11,686)	(5,358)	(3,351)
Hong Kong	1,086	(1,831)	(745)	(83)
Iceland	-	(13)	(13)	-
India	84	-	84	(68)
Indonesia	-	(33)	(33)	(232)
Italy	8,529	(9,353)	(824)	(4,499)
Japan	2,198	(1,611)	587	1,735
Jordan	34	-	34	(12)
Korea	3,962	(2,612)	1,350	(1,834)
Mexico	32	-	32	(101)
Netherlands	2,812	(5,482)	(2,670)	(1,502)
New Zealand	152	(167)	(15)	(248)
Norway	10,267	(17,687)	(7,420)	(9,210)
Phillipines	170	-	170	1,043
Spain	567	(983)	(416)	(1,234)
South Africa	318	-	318	293
Sweden	8,896	(17,191)	(8,295)	(7,380)
Switzerland	876	(2,333)	(1,457)	(1,668)
United Kingdom	16,541	(19,745)	(3,204)	(19,685)
United States	65,054	(72,112)	(7,058)	(24,546)
	138,924	(180,142)	(41,218)	(77,566)

18 Contingent assets

	2021 International programming reserve commitments (a) USD 000s	2021 International programming closure indemnity (b) USD 000s	2021 Total contingent assets USD 000s	2020 Total contingent assets USD 000s
Save the Children member organisation				
Australia	-	214	214	261
Canada	-	482	482	366
Denmark	-	761	761	776
Finland	-	327	327	351
Germany	-	999	999	935
Hong Kong	-	155	155	171
Italy	-	1,006	1,006	681
Japan	-	123	123	124
Korea	-	294	294	224
Netherlands	-	619	619	597
New Zealand	-	36	36	42
Norway	-	1,610	1,610	1,628
Spain	-	271	271	348
Sweden	-	1,527	1,527	1,441
Switzerland	-	203	203	177
United Kingdom	3,112	2,451	5,563	6,573
United States	3,100	8,922	12,022	11,517
	6,212	20,000	26,212	26,212

- (a) Members have made cash contributions in previous years of USD 8,800,000 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, as the possibility is remote or the estimate of financial effect is not practicable with the information available.

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 2021, there are no subsequent events which has any impact on the recognition and measurement of assets and liabilities.

In response to the outbreak of the war in Ukraine, we set up a new subsidiary in Poland, Fundacja Save the Children International (Poland) and this was registered in the National Court Register in the country on 14 April 2022.

On January 1, 2022, our Kosovo country office transitioned to an independent Save the Children National Office; also on January 1, 2022, Sheptoni Fermijet (Save the Children), listed in note 16, transitioned from being a subsidiary of Save the Children International to an independent Save the Children National Office.

Save the Children International

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