

LUMOS FOUNDATION

England & Wales · Charity number 1112575

Details

Other names CHILDREN'S HIGH LEVEL GROUP, LUMOS

Status Registered

Legal form Charitable company

Company number [05611912](#)

Registered 2005-12-21

Register [View on the Charity Commission register](#)

Contact

Address Lumos Foundation
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London
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Website www.wearelumos.org

Activities

Objects: 3.1 THE RELIEF OF POVERTY AND SICKNESS, THE PROMOTION OF EDUCATION, THE PROMOTION OF CHILD HEALTH AND DEVELOPMENT, AND THE PREVENTION OF CRUELTY TO OR MALTREATMENT OF CHILDREN IN ANY PART OF THE WORLD; AND 3.2 SUCH OTHER EXCLUSIVELY CHARITABLE OBJECTS AS THE TRUSTEES OF THE CHARITY MAY IN THEIR ABSOLUTE DISCRETION DETERMINE.

Activities: Lumos works to transform the lives of disadvantaged children by facilitating the end of institutional care for good. It does this in two ways: At a policy level to accelerate and improve the quality of reform in health, education and social protection services. At a practical level working with providers of children's services to demonstrate the value of family-based care.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing
- **Who:** Children/young People

Geography

- **Area of benefit:** ANY PART OF THE WORLD
- Colombia
- Kenya
- Moldova
- Ukraine
- United States
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,748,174	£6,471,685	£5,608,798	49
2023-12-31	£7,887,821	£4,963,793	£6,312,690	54
2022-12-31	£7,149,879	£7,410,770	£3,548,624	71
2021-12-31	£4,944,068	£8,181,234	£3,606,091	118
2020-12-31	£5,518,210	£9,925,743	£6,730,844	142

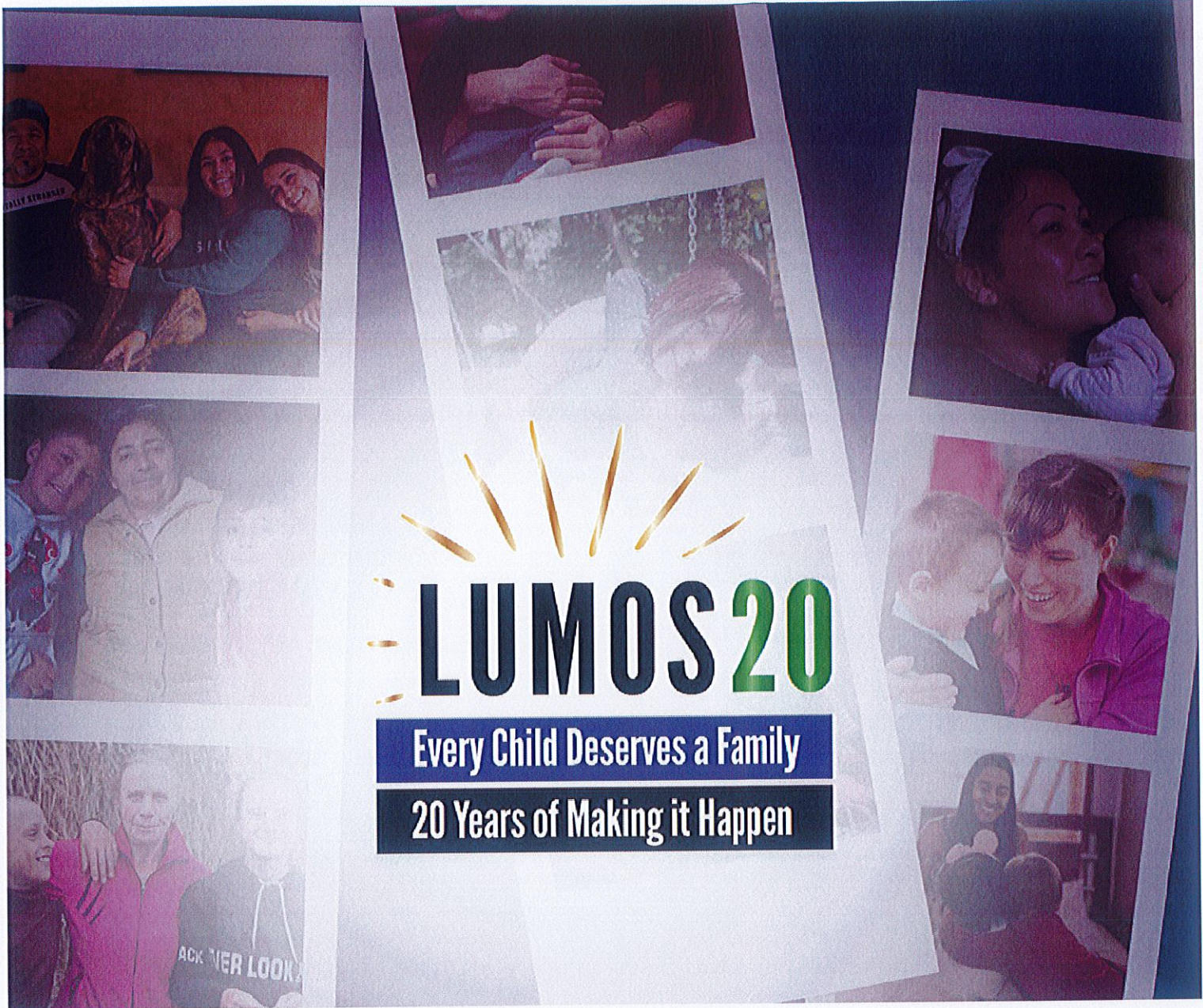
Trustees

Name	Role	Appointed
Kenneth Ian Towle	Chair	2025-01-19
Dr Doreen Mulenga		2021-10-06
Elizabeth Lule		2025-02-12
Keith Schilling		2025-06-26
Neal Gandhi		2023-09-28
Rosanna Burcheri		2025-02-12
Sophie Bridge		2025-07-17
USMAN ALI		2022-09-29
Zahed Kamathia		2025-09-05

LUMOS FOUNDATION

England & Wales - Charity number 1112575

Accounts



LUMOS 20

Every Child Deserves a Family
20 Years of Making it Happen

Trustees' Annual Report & Financial Statements



Lumos Foundation 2024
(A Charitable Company Limited by Guarantee)
For the year ended 31st December 2024



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Legal and Administrative Information

Founder and Life President

J.K. Rowling

Trustees, Lumos Foundation (UK)

Carol Copland, Chair of Trustees (resigned 19 January 2025)
Kenneth Towle, Chair of Trustees (appointed 19 January 2025)
Nitin Pasricha, Treasurer
Billy diMichele (resigned 21 January 2025)
Jimmy Paul (resigned 17 July 2024)
Neena Gill, CBE
Dr. Doreen Mulenga
Usman Ali
Neal Gandhi
Rosanna Burcheri (appointed 11 February 2025)
Elizabeth Lule (appointed 11 February 2025)
Sophie Bridge (appointed 17 July 2025)
Keith Schilling (appointed 26 June 2025)
Zahed Kamathia (appointed on 5 September 2025)

Chief Executive Officer, Lumos Foundation (UK)

P. McDermott (resigned 12 November 2024)
Howard Taylor (appointed 30 October 2024)

Company Secretary, Lumos Foundation (UK)

Chris Rossiter (resigned 22 February 2024)
Jessica Walsh (appointed 22 September 2025)

Registered Office and Principal Address:

Lumos Foundation, 3-7 Temple Avenue, London, EC4Y 0DA

Auditor (UK)

Saffery LLP, 71 Queen Victoria Street, London EC4V 4BE, UK

Bankers (UK)

HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ, UK

Solicitors (UK)

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, UK

Website

More information about the foundation can be found at www.wearelumos.org.

Trustees' Annual Report and Strategic Report

Vision, Mission & Values

Lumos exists to light a path to a brighter future for children.

We're committed to ending the institutionalisation of children, so every child can enjoy the right to grow up in a safe and loving family where they can thrive.

Named after the light-giving spell in Harry Potter, Lumos was founded by author J.K. Rowling in 2005.

Lumos works to transform the lives of disadvantaged children by facilitating the end of institutional care for good. It does this in two ways: at a policy level to accelerate and improve the quality of reform in health, education and social protection services and at a practical level working with providers of children's services to demonstrate the value of family-based care.

Vision: All children grow up in safe and loving families within supported communities.

Mission: To realise every child's right to a family by transforming care systems around the world.

Values: Collaboration, excellence, respect, care and passionate.

In 2024, Lumos made a significant impact on the lives of children in institutions and those at risk. All the targets in its programmatic work were exceeded. Lumos was highly successful in implementing all the projects we undertook. By the end of the year, all projects were on track.

Each of our country programmes is at a very different stage in the journey to end the institutionalisation of children and the prevention of family separation. We are tailoring our contribution in each country demonstrating the huge repertoire of our expertise ranging for example, from the model of transformation of individual institutional care providers in Colombia, to the establishment of Early Childhood Intervention Units for children with disabilities in Moldova, to the comprehensive models of regional childcare reform in Kenya and responding to the context of conflict in Ukraine.

2024 marked the beginning of the 2024-2027 strategy. The strategy has given us a very clear focus and ambition for the next four years. Our individual country, advocacy and thematic strategies are all aligned to our common goals. We also drafted our Theory of Change for childcare and child protection reforms for children to thrive in families.

2024 was a year of significant change and consolidation for Lumos. It was a challenging period. The organisation emerged from 2024 with a structure that better reflects the central role that programmes and advocacy hold, as seen in the relative balance of resource tilting towards our country programmes. Lumos also ended the period better prepared to adjust to and absorb external shocks such as the dramatic cuts in international development funding occurring in early 2025. Our in-country programmes have small core teams with the agility to grow to implement funded projects, and the two more consolidated programmes: Moldova and Ukraine, obtain most of their funding from restricted funding.

In 2024, programming continued to focus on strengthening national care reform systems and enhancing child and youth participation and advocacy. Working on key thematic areas of violence against children, disability and inclusive education have expanded the reach of the care reform movement beyond the limits of sector-specific silos and created a foothold for our work in these related sectors in 2025. Collaborating closely with local public authorities, partner NGOs, and other networks, has enabled us again to surpass our planned targets and achieve significant results.

Strategic objectives for Strategy 2024-2027:

1. To prevent separation and facilitate the reintegration of children into families or family-based alternative care
2. To strengthen national child protection and child welfare systems
3. To increase commitments and action to accelerate global and national care reform
4. To amplify and strengthen agency and engagement of impacted children, young people and parents-care takers/those with lived experience
5. To create a thriving organisation
6. To be a financially sustainable organisation

Activities undertaken throughout 2024 towards our strategic objectives:

Colombia

Building Stronger Families, Protecting Children's Futures

In 2024, Lumos continued its critical mission to transform child protection systems in Colombia, focusing on keeping families together and ensuring children grow up in loving, supportive families. Our work has been driven by a simple yet powerful belief: every child deserves a family.

In August, we renewed our partnership with ICBF (Colombian Institute of Family Welfare), marking a significant milestone in our collaborative efforts to reform care for children. This agreement underscores a shared commitment to developing family-based care solutions that prioritise children's well-being and keep families united.

Our family reintegration programmes made remarkable strides in 2024, directly supporting:

- 114 children
- 89 families
- 2 key provider organisations in Bogotá and Medellín

By providing professional guidance and comprehensive psychosocial support, we've helped families:

- Develop conflict management skills
- Regulate emotions
- Access critical social services
- Create stable, nurturing home environments

Our approach doesn't just prevent children from re-entering institutional care—it rebuilds family strength and resilience.

Amplifying Children's Voices

Lumos believes that the most powerful advocates for change are those directly affected. Our Youth Advisory Board (YAB) has been instrumental in driving policy discussions and have:

- Addressed the Bogotá City Council on family preservation
- Participated in high-level international conferences
- Shared personal experiences to inform childcare reform
- Demonstrated the incredible leadership of young people in shaping their own futures

Expanding Support, Multiplying Impact

Our partnership with Fundación Casa La Chinca in Medellín represents a critical expansion of our work. By providing technical support for their safe reintegration program, we're:

- Scaling successful intervention models
- Sharing best practices
- Creating sustainable transformation in another key Colombian region

Global Advocacy for Child Protection

At the First Global Inter-Ministerial Conference to Prevent Violence Against Children (EVAC 2024), Lumos:

- Led discussions on family strengthening
- Highlighted the connections between institutionalisation and violence against children
- Advocated for inclusive, family-based care solutions

At the conference, 12 remarkable young advocates from the Lumos Colombia Youth Advisory Board (YAB) proved that age is no barrier to creating meaningful social change and made an extraordinary impact with their presentations.

Sara and Julian, two young members of our Youth Advisory Board shared their personal experiences and asked for systemic change. Their aim was to shed light on the challenges faced by children in care and institutional settings, and to advocate for a more compassionate, supportive system.

During EVAC 2024, these young leaders:

- Engaged directly with high-level government officials
- Led discussions with the Colombia Vice Minister of Education and Minister of Health
- Highlighted critical issues such as: school safety, access to higher education for youth in residential care and healthcare barriers for children in institutional settings.

The YAB demonstrated that when children are given a genuine platform, they become powerful agents of change. Their advocacy goes beyond personal experiences—it's about creating systemic transformation that can help countless other children.

At Lumos, we believe that the most powerful solutions come from those most affected by the challenges. By supporting these young leaders, we're not just listening—we're amplifying voices that have been historically silenced.

Kenya

Changing Lives, County by County

In 2024, Lumos took a giant leap forward in transforming child welfare across Kenya. What started as a pilot in 15 counties has now expanded to 47 counties—a massive milestone in our mission to ensure every child grows up in a safe and loving family.

Our approach is simple but powerful: work closely with government agencies, train professionals, and put children's needs at the heart of every decision. This year, we:

- Collaborated with the National Council for Children Services
- Trained 139 professionals across national, county, and institutional levels
- Launched a nationwide care reform implementation strategy

In Embu County, our holistic approach made a remarkable difference, as we:

- Assessed 179 children (39% of those in care)
- Supported 80 families
- Helped 75 children (16%) transition to family and community-based care

Giving Children a Voice

We believe children are the experts of their own lives. This year, we:

- Engaged with 395 children and young people
- Held 28 parent and child engagement sessions
- Increased understanding of the harmful effects of institutionalisation

A Continental Conversation

Our work went beyond Kenya's borders. A landmark visit with the African Union's Committee of Experts on the Rights and Welfare of the Child paved the way for:

- Continent-wide discussions on family-based care
- Potential policy changes across Africa
- A comprehensive guide of promising practices to be shared with AU member countries

We're not just changing systems—we're rebuilding futures. By supporting families, training professionals, and amplifying children's voices, we're creating a Kenya where every child has the opportunity to thrive.

Moldova

Early Childhood Development and Intervention

We expanded our successful model for early childhood services to four more regions across Moldova, helping prevent family separation and support children at risk - those with disabilities, and refugees.

Key Achievements for ECD-ECI Medicor Project:

- Improved Service Quality: Developed standardised procedures across all Early Childhood Intervention (ECI) Centres and worked with the Ministry of Health on new financing criteria
- Expanded Reach: Established a new Early Childhood Development community office, bringing our total to 18 offices nationwide
- Direct Support to Children:
 - 199 children under five received specialised intervention services
 - 2,217 children received assistance through community offices
 - 574 children were visited at home by multidisciplinary teams
- Professional Development: Trained 450 healthcare, social protection, and education professionals
- Family Support: Helped 147 parents through formal training programs, while 1,940 received assistance at community offices

UNICEF Partnership Project

Throughout this important project, our key achievements have been that we:

- Created 2 new Early Childhood Intervention Centres (1 already operational)
- Established 10 Early Childhood Development Offices
- Trained 260 professionals
- Supported 1,703 children through development offices
- Provided specialised intervention programs to 41 children
- Helped 1,446 parents and caregivers

ProTACIS Project

This 8-month project focused on reducing discrimination against vulnerable children and our successes included that we:

- Partnered with 6 schools
- Engaged 200 university students, 80 teachers, 80 parents, and 201 school students
- Conducted 30 workshops and one summer school
- Distributed 450 copies of our "Book of Stories"
- Featured two former Lumos self-advocates as workshop co-facilitators

Refugee Response

We participated in national-level working groups on social protection, education, child protection, and accommodation for refugees.

Our capacity-building activities for frontline professionals included:

- 8 training events (6 seminars, 2 workshops)
- 250 professionals trained (74% from social services, 26% from education)
- Focus areas included child protection, communication with adolescents, inclusion of children with special needs, online safety, family support, and data confidentiality

All activities were organised with direct involvement from professionals across four districts and key stakeholders managing the Ukrainian refugee crisis.

Ukraine

In Ukraine, Lumos works closely with the government to improve the care of children and we're helping test new family care reforms in the Zhytomyr region.

Working with Ukraine's Education Ministry, we created online training about inclusive education that all teachers across the country can access.

We've helped keep families together by:

- Providing food and hygiene supplies
- Creating nine learning centres in three regions that offer education and protection for children

These learning centres, established last year, continue to be vital resources for vulnerable children and families throughout Ukraine.

Supporting Children Through Safe Learning, an OCHA-supported project

By the end of 2024, we reached 28,531 children with safe learning support (15,047 girls and 13,484 boys) across Kharkiv, Sumy, and Zhytomyr regions. Nearly 27% of these children have disabilities or special educational needs.

Through our nine Temporary Learning Centres, we provided:

- Safe, inclusive learning environments
- Mental health support
- Specialised education services to help children catch up on missed learning

We distributed educational kits to 1,131 children with disabilities and special needs, helping identify children with severe needs who were previously isolated from their peers. This support has strengthened the resilience of war-affected children and their caregivers.

Emergency Response Highlights

In 2024, our humanitarian aid reached 3,912 children—30% more than our initial target—helping prevent family separation during crisis.

We've strengthened our leadership role in Ukraine's care reform for children by:

- Partnering with the Coordination Centre for Family Upbringing and Child Care Development
- Joining a powerful coalition alongside UNICEF, SOS Children's Villages, Hope and Home for Children, and Save the Children
- Building a foundation for transformative changes in 2025

Advancing Inclusive Education

Our experts helped develop Ukraine's National Strategy for the Development of Inclusive Education until 2029. Working with the Ministry of Education, we created five webinars for specialists at inclusive resource centres, already viewed by 4,590 professionals.

In Zhytomyr region, we're implementing improved care reforms in five communities and developing nine universal social services, with a special focus on children with disabilities and special needs.

Empowering Young Voices

The Coalition of NGOs "In the Interests of Children" in Zhytomyr has grown to 16 organisations, strengthening local child protection advocacy.

Our new Youth Advisory Council brings together 18 young people—including 11 with disabilities and 5 with experience of institutionalisation—who are actively promoting inclusive policies. This approach ensures young people's voices shape the decisions that affect their lives.

As one participant shared during our "Meeting of Like-Minded People" event: "For the first time, we have a platform where our views are truly recognised and valued."

Global Impact: Advocating for Children Worldwide

Global Advocacy Achievements

In 2024, £3.6 million was committed for care reform because of global advocacy efforts.

We embraced new opportunities through observer status at the African Committee of Experts on the Rights and Welfare of the Child (ACERWC) and partnered with the UK Foreign, Commonwealth and Development Office on their global care reform campaign.

Ending Violence Against Children

We led international collaboration linking violence prevention and care reform, highlighting this connection at the Global Ministerial Conference through a high-level side event. Our advocacy resulted in strong commitments from Colombia and Kenya to improve care for vulnerable children.

Building African Partnerships

We strengthened our role as a leading partner to the ACERWC by:

- Supporting a study visit to Kenya
- Gaining observer status at committee meetings
- Providing expert guidance on continental care reform approaches

Influencing Global Policy

Our partnership with the UK Foreign Office on their care reform campaign positioned us to help ensure the campaign emphasises the participation of children and young people with lived experience. We then went on to deliver a consultation with children and young people at FCDO's request.

Connecting Education and Care

At the Annual Day on the Rights of the Child (ADRC), we presented groundbreaking research on how education and institutionalisation intersect. These connections help ensure care reform extends beyond child protection to include education systems.

Youth Voices Leading Change

Our commitment to youth participation brought powerful results in 2024:

- Care leavers spoke at the Ending Violence Against Children satellite event, with one participant declaring: "We don't want to leave paper on your desks—we want policies that last so children can live safely, free of violence."
- Young people with care experience addressed the UN Human Rights Council. A young person from Moldova may have been the first child currently in care to address the Council, urging members to "remember the most vulnerable children."
- Our Youth Advisory Board developed their own pledge as equal participants in the More Than A Number campaign, positioning young people as partners rather than beneficiaries.

More Than A Number Campaign

This campaign completed its successful pilot phase with impressive results. We:

- Created a compelling brand identity with campaign materials tested directly with our target audience
- Launched the campaign Pledge and Roadmap to Change
- Produced three podcast episodes featuring our Youth Advisory Board
- Developed partnerships with new organisations across the child rights sector
- Hosted a powerful roundtable where young people shared their experiences with decision-makers

As one young participant explained: "Institutions are not able to offer the support that a family can."

People with Lived Experience

We strengthened youth participation across Colombia, Ukraine, and Moldova by:

- Establishing new Youth Advisory Boards
- Including young people in international events and consultations
- Implementing the ProTACIS project in Moldova with former Self Advocates as facilitators
- Embedding participation activities in all four Country Plans for 2025
- Increasing collaboration between our fundraising, advocacy, and people with lived experience teams

This approach ensures that children's voices directly shape the policies that affect their lives.

Looking Ahead: Our Vision for 2025

As we continue implementing our 2024-2027 strategy, Lumos remains committed to transforming care systems and ensuring every child can thrive in a safe and loving family.

Our Goals for 2025

We aim to enable at least 18,000 children to thrive in families instead of institutions through our reintegration programs and by helping governments adopt our family care models.

Our prevention work in Ukraine, Kenya, Moldova, and Colombia aims to protect 50,000 vulnerable children from being separated from their families.

Global Advocacy Focus

In 2025, we'll spotlight the critical connections between care reform and

- Ending violence against children
- Disability

We'll build on momentum from the Interministerial Conference on Violence Against Children (Bogota, December 2024) and the Global Disability Summit (Berlin, April 2025) to secure government commitments to care reform.

Country-Specific Plans

Ukraine

We're expanding humanitarian assistance to Sumy, Kharkiv, Dynpro, and Zaporizhzhia regions, supporting families displaced by war with:

- Essential education materials
- Winter supplies
- Transition Learning Centres for children with disabilities
- Implementation support for child care reforms in Zhytomyr

Colombia

We'll develop models to prevent family separation in Nariño Department and continue transforming care institutions into community support centres in Bogota and Antioquia.

Kenya

We'll complete our comprehensive reform plan for Embu County, aiming to reunite 50% of institutionalised children with their families or place them in foster care. Similar plans will extend across Eastern Province.

Moldova

Working with the government, we'll expand our Early Childhood Intervention model to reach 30% of the country and develop two new Inclusive Education Units.

Strengthening Our Organisation

We'll enhance our:

- Grant making and management systems
- Governance and advisory structures
- Youth participation mechanisms
- Safety, security, and safeguarding policies

Through these efforts, we'll continue building a world where every child grows up in a safe and loving family.

Principal risks

Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission Guidance. This register is reviewed and updated quarterly by the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is dedicated risk session with the Board once a year. Additional risk sessions are included in Board meetings where appropriate.

Lumos Corporate Risk Register (CRR) includes risks across four categories: strategic and reputational, operational, compliance, financial and governance.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

Lumos will continue to assess and update its internal risk management policy to better reflect the inherent risks associated with working in areas of conflict and civil unrest. The charity has identified the following key risk and uncertainties:

1) Poor fundraising performance and a lack of income diversity

Mitigations: Build fundraising team and develop and implement fundraising strategy with near term and medium-term objectives. Financial planning and analysis including quarterly reforecasts and cash flow forecasting to allow for close scrutiny of performance and to support the fundraising strategy. Income stream diversification to include institutional, corporate and major donors. Effective monitoring across all income streams, i.e. monthly reporting against KPIs and variance against budget forecast.

2) Reputational risks and negative media interest in the charity

Mitigations: Stakeholder management and communications. Partner, founder and contractor due diligence with associated compliance, monitoring and reporting processes, crisis response protocols. Increase Lumos's profile as an independent charity/NGO and report on impact and development.

3) Security risks of personnel operating in high risk countries

Mitigations: Regular ongoing security assessments enable rapid analysis of changing circumstances and adaptation of programming, including cessation of activities when appropriate. Regular disbursement of smaller amounts of funds to partners to tighten financial controls. Security Contingency plans regularly updated.

4) Safeguarding risks: the risk of harm to children and adults

Mitigations: Additional capacity provided to safeguarding team and improvements made to safeguarding due diligence guidance and protocols. Review and implementation of the global safeguarding policy and related reporting protocols with associated programme staff and refresher training. Strengthening of integration of safeguarding into programme design and reporting.

Financial Review

A summary of the year's results can be found on page 25 of the financial statements.

	2024 £'000	2023 £'000
Total Income	5,748	7,888
Total expenditure	(6,471)	(4,964)
Other (losses) / gains	19	(160)
Net Funds movement	(704)	2,764
Reserves carried forward	5,609	6,313
Unrestricted	4,813	4,224
Restricted	796	2,089

During 2024 Lumos completed its organisational restructure which included the closure of the Bulgaria branch office and the US entity Friends of Lumos USA Ltd. which was dormant during both years. The US charitable entity, Lumos Foundation USA Inc. still operates on a reduced headcount. The UK office also now operates on a reduced headcount with the aim of maintaining a sustainable platform for future operations.

The negative net restricted funds movement during the year is largely due to high operational spend thanks to the receipt of a restricted grant received in late 2023 which was expended in 2024. The positive net unrestricted funds movement during the year is thanks to a substantial unrestricted donation received in 2024 intended to cover costs in 2025 and 2026.

Investment policy and performance

In April 2024, the investment portfolio was liquidated, and the cash is currently held on deposit with Lumos's bank, HSBC plc.

Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2024, there were no fundraising complaints.

Our income is affected by external factors such as the ongoing war in Ukraine, fluctuations in the economy, royalty payments donated by our Founder, changing donor priorities and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

Reserves policy and going concern

The Trustees balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The target level of free reserves is equivalent to approximately 3 to 6 months operating expenses. The charity holds sufficient unrestricted funds for the following purposes:

To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth.

To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

To support working capital funding requirements

In several Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of royalties' income in the second half of the year which has an impact on the cash flows of the charity.

To help to protect Lumos work beyond the current year

To protect Lumos's long-term impact, especially in the face of a sustained decline in income, the organisation will need time and flexibility to make responsible adjustments. In countries where Lumos has an established presence, this means carefully managing changes to core programmes to minimise disruption to children. In countries where Lumos does not have a long-term footprint, it may involve responsibly closing out existing partnerships and programmes to preserve resources and uphold commitments.

Funds

Restricted funds £0.8m (2023: £2.1m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Unrestricted funds £4.8m (2023: £4.2m)

Unrestricted funds include tangible and intangible fixed assets of £0.1m (2023: £0.1m) and designated funds of £2m (2023: £1.6m) where the designated funds have been allocated by the Board for the purposes of non-programmatic support and discretionary strategic programmes not supported by restricted funding.

The readily realisable free reserves balance is £2.7m (2023: £2.5m).

Our target base level of free reserves is equivalent to approximately 3 to 6 months operating expenses, which is £1.6m to £3.2m.

Conclusion

Given the level of reserves and the prudent steps undertaken between 2022 to 2024 to align our operations and resources to our programmatic and financial strategy, together with forecasts, budgets and a reorganisation of the charity in 2024, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Structure, governance and management

Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in December 2021. Lumos's objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.
- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: All children grow up in safe and loving families within supported communities.; (ii) mission: To realise every child's right to a family by transforming care systems around the world.

Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. During the year, Friends of Lumos USA Ltd was effectively dormant and was dissolved and struck off the Register of Companies on 18 June 2024.

The Lumos Foundation USA Inc. statement of financial activities results for 2024 are a surplus of £203k (2023: deficit of £1,254k) and £nil grants were made to the UK parent charity during 2024 (2023: 2,082k).

Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 1.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. At the year end Lumos had eight Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2024, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

Since Q1 2025, considerable work has also been undertaken as part of a wider governance refresh, which is ongoing, including reviewing the purpose and scope of Committees and updating their Terms of Reference.

A periodic Board skills audit is carried out to determine the range of skills and experience which would be required to fill existing gaps. The last such audit was in Q4 2020.

Organisation

The Chief Executive Officer and Executive Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos's work and regularly reporting progress to the Board.

Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

Grant-making policy

Whilst Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos's standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos's procedures.

Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. In April 2024, the investment portfolio was liquidated, and the cash is currently held on deposit with Lumos's bank, HSBC plc.

Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts, notes 9 and 19 respectively.

Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

2024 restructure

To ensure its financial sustainability, Lumos underwent a restructure during April and May 2024. This included rationalising central administrative functions within a streamlined Corporate Services model, whilst redeploying resources to the Country Programme teams enabling better efficiencies and effectiveness locally.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to auditors

To ensure its financial sustainability, Lumos underwent a restructure during April and May 2024. This included rationalising central administrative functions within a streamlined Corporate Services model, whilst redeploying resources to the Country Programme teams enabling better efficiencies and effectiveness locally.

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.

Kenneth Towle
Chair of Trustees
Lumos Foundation



Date:

22.9.2025.

Independent auditor's report to the members of Lumos Foundation

Opinion

We have audited the financial statements of Lumos Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2024 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 United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees, communication with component auditors and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business.

We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Norris FCA (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date:

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 December 2024

Notes	2024 Unrestricted funds £'000	2024 Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
Income from:				
	1,485	-	1,485	1,009
Royalties				
Donations and Gift Aid	1	46	2,842	3,701
Charitable activities				
Grant income	2	1,311	1,330	3,030
Investment income		-	55	72
Income from Trading activities		-	22	63
Other income		-	14	13
Total income	4,391	1,357	5,748	7,888
Expenditure on:				
Raising funds:				
Raising donations and grant income,				
donor communication costs	4	-	958	1,573
Investment management costs		-	-	5
Charitable activities	5	2,736	5,513	3,386
Total expenditure	3,735	2,736	6,471	4,964
Net income/(expenditure)	656	(1,379)	(723)	2,924
Net gains/(losses) on investments	5	-	5	(5)
Exchange rate (losses)/gains	(38)	52	14	(155)
Transfers between funds	(34)	34	-	-
Net movement in funds	589	(1,293)	(704)	2,764
Reconciliation of funds:				
Total funds brought forward	4,224	2,089	6,313	3,549
Total funds carried forward	4,813	796	5,609	6,313

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

Consolidated Balance Sheet

	Notes	2024 £'000	2023 £'000
Fixed Assets			
Tangible assets	12	148	152
Intangible assets		-	2
Investments	13	-	599
		148	753
Current Assets			
Debtors	14	1,227	1,002
Short-term deposit		10	9
Cash at bank and in hand		4,531	4,961
		5,768	5,972
Creditors: amounts falling due within one year	15	(307)	(412)
Net current assets		5,461	5,560
Total assets less current liabilities		5,609	6,313
Net assets		5,609	6,313
Funds:			
Restricted funds	18	796	2,089
Designated funds	18	2,000	1,607
Unrestricted funds	18	2,813	2,617
Total Funds		5,609	6,313

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

Kenneth Towle
Trustee



Date: 22.9.2025.

Lumos Foundation, Registered Company Number: 05611912 (England and Wales).
The notes on pages 30 to 46 form part of these financial statements.

Charity Balance Sheet

	Notes	2024 £'000	2023 £'000
Fixed Assets			
Tangible assets	12	149	152
Intangible assets		-	2
Investments	13	-	599
		149	753
Current Assets			
Debtors	14	1,232	1,034
Cash at bank and in hand		3,686	4,311
		4,918	5,345
Creditors: amounts falling due within one year	15	(1,522)	(1,621)
Net current assets		3,396	3,724
Total assets less current liabilities		3,545	4,477
Net assets		3,545	4,477
Funds:			
Restricted funds	18	507	584
Designated funds	18	2,000	1,607
Unrestricted funds	18	1,038	2,286
Total Funds		3,545	4,477

As permitted by section 408 of the Companies Act 2006, a Statement of Financial Activities for the charity has not been presented.

The Lumos Foundation charity's net movement in funds for 2024 was a deficit of £0.9m (2023: £4.2m surplus).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Kenneth Towle
Trustee



Date: 22.9.2025

Lumos Foundation, Registered Company Number: 05611912 (England and Wales).
The notes on pages 30 to 46 form part of these financial statements.

Consolidated Statement of Cash Flows

Net Cash Provided by (used in) operating activities

	Notes	2024 £'000	2023 £'000
Net Cash Provided by (used in) operating activities	A	(1,020)	2,379
Cash Flows from Investing Activities			
Dividends and Interest from investments		5	72
Purchase Of Tangible Fixed Assets		(19)	(35)
Proceeds from Disposal of Investments		582	54
Purchase of Investments		-	(85)
Net Cash Provided by (used in) investment activities		568	6
Net Cash Provided by (used in) Financing Activities			
Change in Cash and Cash Equivalents in the Year		(452)	2,385
Cash and Cash equivalents as at 1 January 2024	B	4,992	2,572
Change in Cash and Cash Equivalents due to Exchange Rate Mov.		1	35
Cash and Cash equivalents as at 31 December 2024	B	4,541	4,992

Note A - Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2024 £'000	2023 £'000
Net Movement in Funds (as per the Statement of Financial Activities)	(704)	2,764
Adjusted for:		
Depreciation Charge	20	24
Exchange Rate (Gain) Loss	(6)	(35)
Losses / (Gains) on Investment	(5)	5
Dividends and Interest from Investments	-	(72)
Deficit on Disposal of Tangible Fixed Assets	5	7
Decrease/(Increase) In debtors	(225)	445
Increase/(Decrease) in Creditors	(105)	(564)
Increase in provisions for liabilities and charges	-	(195)
Net Cash Provided by (Used In) Operating Activities	(1,020)	2,379

Note B - Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at Bank and In Hand	4,531	4,961
Cash Held as Current Asset Investment / Short term deposit	10	9
Cash Held by Investment Managers	-	22
Total cash and cash equivalents	4,541	4,992

Note C - Analysis of changes in net debt

	At 31 December 2023 £'000	Cash flows £'000	Foreign exchange movements £'000	Group 2024 £'000
Cash at bank and in hand	4,961	(430)	-	4,531
Cash equivalents	31	(21)	-	10
Total	4,992	(451)	-	4,541

Notes to the Financial Statements

Principal accounting policies

Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The accounts are rounded to the nearest thousand and the functional currency is Great British Pounds. The principle accounting policies, which have been applied consistently in the year, are set out below.

Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos Foundation. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos' name and trademark that allows Lumos's strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide.

Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation. Its sole member and thus its parent company is Lumos Foundation.

Group accounts are therefore prepared consolidating Lumos Foundation USA Inc. which was dormant in 2023 and 2024 and Lumos Foundation Operations Limited.

Accounting estimates and areas of judgement

In the application of the Lumos Foundations accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees and management, the following are the most significant accounting estimates and areas of judgement:

- The judgement that, subject to evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders.
- The judgement that there is no provision required for disallowed expenditure under donor funding agreements.
- Decisions around the recoverability of amounts included in debtors connected to royalties or other debtors.
- Judgements relating to the decision as to when a liability should be recognised in relation to grants payable to a third party
- The value of any accruals included in the financial statements
- The basis for allocating costs between activities as disclosed in the financial statements.

Going concern

At 31 December 2024, Lumos had total funds of £5.6m (2023: £6.3m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets and designated funds) at 31 December 2024 is £2.7m (2023: £2.5m).

Given the level of reserves and the prudent steps taken in 2024 to align our operations and resources to our programmatic and financial strategy, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

Royalty income is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

Investment income dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

Investments: listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

Fundraising and publicity costs: expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

Investment management costs are recognised as they are payable to the investment manager.

Charitable activities are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

Support costs are those costs incurred in connection with the management and administration of the charitable company. All support costs have been allocated based on expenditure.

Pension costs contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

Grant liabilities are recognised once the charity has a constructive or legal obligation to make a payment.

Other accounting policies

Tangible and intangible fixed assets: the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings 30 to 50 years
Office equipment 5 to 10 years
Fixtures and fittings 5 years
Computer equipment 3 years
Leasehold improvements Over the lease term until the break clause
Motor vehicles 7 years
Software 5 years

Investments: Investments are recognised initially at cost which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in net gains/(losses) on investments in the Statement of Financial Activities. As investments are continually revalued there are no realised gains or losses recorded.

Investments in subsidiaries are valued at cost less provision for impairment.

Foreign currencies: monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Lease commitments: rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

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

Current asset – short-term deposit: current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

Cash at bank and in hand includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. Donations and Gift Aid

	2024 Unrestricted funds £'000	2024 Restricted funds £'000	2024 Total funds £'000	2023 Unrestricted funds £'000	2023 Restricted funds £'000	2023 Total funds £'000
Donations	2,288	46	2,334	2,864	121	2,985
Gift aid	508	-	508	527	6	533
Gift in kind	-	-	-	183	-	183
Total Funds	2,796	46	2,842	3,574	127	3,701

2. Grant income

	2024 Unrestricted funds £'000	2024 Restricted funds £'000	2024 Total funds £'000	2023 Unrestricted funds £'000	2023 Restricted funds £'000	2023 Total funds £'000
Trusts and foundations	19	539	558	79	461	540
Ukraine Emergency Response – Ukraine and Moldova	-	10	10	1	1,015	1,016
Grants from other governments and public bodies	-	762	762	-	1,326	1,326
Other	-	-	-	148	-	148
Total	19	1,311	1,330	228	2,802	3,030

3. Fixed asset investments

The following subsidiaries were undertakings of the Charity:

Names	Registered address	Company number	Charity Registration number	IRS reference number	Holding/control
Lumos Foundation Operations Ltd.	3-7 Temple Avenue, London EC4Y 0DA, UK	12369753	n/a	n/a	100%
Friends of Lumos USA Ltd (dissolved 18 June 2024)	3-7 Temple Avenue, London EC4Y 0DA, UK	09502092	1170023	n/a	100%
Lumos Foundation USA Inc.	557 Broadway, New York NY 10012, USA	n/a	n/a	47-2301085	100%

The activities of Lumos Foundation Operations Limited are consolidated into the accounts of Lumos Foundation.

Activities started during 2022. The summary financial performance of Lumos Foundation Operations Limited is below. During the year, Lumos Foundation charged administrative expenses to Lumos Foundation Operations Limited totalling £nil (2023: £3k). At the year-end an amount of £22k (2023: £60k) was due to Lumos Foundation, with gift aid payable of £9k (2023: £49k).

Subsidiaries - Lumos Foundation Operations Ltd.

	2024 £'000	2023 £'000
Income	16	63
Expenditure	(8)	(14)
Gift aid to Lumos Foundation	(9)	(49)
Closing reserves	-	-
Reconciliation of Funds		
Current Assets	31	68
Current Liabilities	(31)	(68)
Net Current Assets	-	-

Fixed asset investments - continued

The net income for Friends of Lumos USA Ltd of £nil is included within the consolidated summary financial performance of Lumos Foundation USA Inc. Below. Friends of Lumos USA Ltd was dissolved during the year.

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £nil (2023: £444k) to cover administration and overhead costs. Lumos Foundation USA Inc. provided a grant to Lumos Foundation of £nil (2023: £2,082k). Lumos Foundation provided donated services of £nil (2023: £62k) to Lumos Foundation USA Inc. At the year-end an amount of £1,244k (2023: £1,225k) was due to Lumos Foundation USA Inc.

Subsidiaries - Lumos Foundation USA Inc.

	2024 £'000	2023 £'000
Income	352	1,429
Expenditure	(149)	(2,683)
(Deficit)/Surplus for the Year	203	(1,254)
Opening Reserves	1,837	3,232
Gains/(Loss) on foreign exchange	24	(141)
Opening reserves after FX Movement	1,861	3,091
Closing reserves	2,064	1,837
Reconciliation of Funds		
Current Assets	2,076	3,956
Current Liabilities	(12)	(2,119)
Net Current Assets	2,064	1,837

4. Raising funds

	2024 Direct costs £'000	2023 Total funds £'000
Raising funds and donor communication:		
Fundraising costs	587	1,142
Donor communication costs	52	73
Support costs (note 7)	319	358
	958	1,573
Investment management fees	-	5
Total	958	1,578

5. Charitable Activities

	2024 Direct costs £'000	2024 Support costs (note 7) £'000	2024 Total funds £'000	2023 Direct costs £'000	2023 Support costs (note 7) £'000	2023 Total Funds £'000
Advocacy, Training and Research	311	140	451	353	173	526
Deinstitutionalisation - Europe	2,499	1,132	3,631	1,003	490	1,493
Deinstitutionalisation - LAC	322	146	468	283	181	464
Deinstitutionalisation - Global	663	300	963	607	296	903
Total	3,795	1,718	5,513	2,246	1,140	3,386

6. Support Costs

	2024 Fundraising and donor communication (note 4) £'000	2024 Charitable activities (note 5) £'000	2024 Total funds £'000	2023 Fundraising and donor communication (note 4) £'000	2023 Charitable activities (note 5) £'000	2023 Total funds £'000
Innovation Fund	46	322	368	-	-	-
Admin, Legal & Compliance	82	381	463	70	232	302
Finance	88	422	510	161	494	655
Human Resources	43	296	339	96	314	410
Information Technology	15	100	115	13	42	55
Office Services	45	197	242	18	58	76
Total	319	1,718	2,037	358	1,140	1,498

Innovation fund costs relate to a restructure which Lumos Foundation underwent in 2024.

7. Governance Costs breakdown

	2024 Total £'000	2023 Total £'000
Legal and professional fees	46	70
Other costs	64	50
Total	110	120

8. Net income for the year

Net income for the year is stated after charging:

	2024 £'000	2023 £'000
Group Auditor's remuneration:		
-Audit services - Group	26	24
-Audit services - Friends of Lumos USA (now dissolved)	-	3
-Audit services - Lumos Foundation Operations Ltd	6	5
-Advisory services	-	7
-Tax services	5	5
Lumos USA Auditor's remuneration:		
-Audit services - Lumos USA	12	13
Depreciation of owned fixed assets	20	25
Operating lease rentals:		
Land and building	94	29

9. Staff Cost and Remuneration of Key Personnel

The staff headcount numbers for the period are as follows:

	2024 No.	2023 No.
Management and administrative staff	17	16
Fundraising and donor communication staff	9	12
Programmes staff	23	26
Total	49	54

Staff costs relating to the above persons are as follows:

	2024 £'000	2023 £'000
Wages and salaries	2,121	2,547
Social security costs	235	331
Pension costs	87	126
	2,443	3,004
Agency staff	340	372
Total	2,783	3,376

The number of employees whose emoluments during the year exceeded £60,000 were:

	2024 No.	2023 No.
£60,001 – £70,000	6	2
£70,001 – £80,000	1	2
£80,001 – £90,000	-	1
£90,001 – £100,000	-	1
£100,001 – £110,000	-	-
£110,001 – £120,000	1	-
£120,001 – £130,000	-	1
Total	8	7

Pension costs totalling £35k (2023: £29k) were paid in respect of the above employees.

The key management personnel of Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £610k (2023: £627k). Key management personnel include permanent staff as well as agency staff and independent contractors backfilling vacant positions.

Termination amounts paid in the year £139k (2023: £nil.)

10. Trustees' expenses and remuneration

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2023: £nil). Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £1,263 for 1 trustees' travel expenses (2023: £5,540 for 3 trustees' travel expenses).

11. Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

12. Tangible and Intangible fixed assets of Charity and Group

Group	Intangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible and Intangible Fixed Assets
	Software £'000	Land and buildings £'000	Furniture, fittings and equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2024	236	125	212	25	598
Additions	-	-	19	-	19
Disposal	-	-	(5)	-	(5)
At 31 December 2024	236	125	226	25	612
Depreciation					
At 1 January 2024	234	20	165	25	444
Charge for the year	2	4	14	-	20
Disposal	-	-	-	-	-
At 31 December 2024	236	24	179	25	464
Net Book Value					
At 31 December 2024	-	101	47	-	148
At 31 December 2023	2	105	47	-	154

Lumos Foundation Land and Buildings' opening position represents one property in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the asset to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding.

13. Investments of Charity and Group

	2024 £'000	2023 £'000
Listed Investment		
Market Value at 1 January	577	551
Additions at Cost	-	85
Disposal Proceeds	582	(54)
Net Investment (Losses)/Gains	5	(5)
Market Value as at 31 December	-	577
Cash Held In Investment Managers for Reinvestment	-	22
Total	-	599

Listed Investment held at 31 December 2024, comprise the following:

	2024 £'000	2023 £'000
UK Fixed Interest	-	162
UK Equity	-	64
Overseas Equity	-	234
Commodities	-	18
Property	-	17
Alternatives	-	66
Multi Asset	-	16
Market Value at 31 December	-	577
Cost of Listed Investments at 31 December	-	506

14. Debtors

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Other debtors	86	79	26	26
Prepayments	140	136	190	175
Accrued royalty income	977	977	616	616
Trade debtors and other accrued income	75	70	170	157
Provision for doubtful debt	(51)	(51)	-	-
Amounts due from subsidiary undertakings	-	21	-	60
Total	1,227	1,232	1,002	1,034

15. Creditors

A. Amounts falling due within one year

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Trade creditors	118	118	181	177
Taxation and social security	20	20	40	40
Accruals	88	67	76	64
Amounts due to undertakings	-	1,236	-	1,225
Other creditors	24	24	107	107
Deferred income	57	57	8	8
Listed Investment	307	1,522	412	1,621

B. Analysis of deferred income

	Group £'000	Charity £'000
At 1 January 2024	8	8
Recognised as income in year	(9)	(9)
Deferred in year	58	58
At 31 December 2024	57	57

The 2024 deferred income balance relates to income received in Moldova to be recognised in future periods when expenditure arises and a 2025 royalty receipt received in 2024.

16. Provisions for liabilities and charges

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
At 1 January 2024	-	-	195	195
Charged in the SoFA	-	-	195	(195)
At 31 December 2024	-	-	-	-

17. Statement of Funds – current year

	01/01/2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31/12/2024 £'000
Restricted Funds:					
Redirecting Philanthropic Funding	64	-	66	2	-
Deinstitutionalisation in Colombia	15	187	193	-	9
Early Childhood Intervention in Moldova	163	394	436	10	131
Ukraine Emergency Response	1,772	748	2,024	22	518
Other	75	80	17	-	138
Total Restricted Funds	2,089	1,409	2,736	34	796
Unrestricted Funds:					
Designated Funds	1,607	2,000	815	(792)	2,000
General Funds	2,617	2,358	2,920	758	2,813
Total Unrestricted Funds	4,224	4,358	3,735	(34)	4,813
Total Funds	6,313	5,767	6,471	-	5,609

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Redirecting Philanthropic funding

Lumos is running a campaign, funded by UBS Optimus Foundation, that focuses on the funding flows of philanthropy into institutions with the aim to redirect this funding into family strengthening and alternative care services.

Deinstitutionalisation – Colombia

Lumos's programme in Colombia works to influence and support a critical shift from reliance on residential institutions, to the provision of services which enable children to live safely in families and benefit from community-based care. During 2022, the programme received funding from Comic Relief USA, Latin American Children's Trust and a private donor.

Early Childhood intervention – Moldova

Working with the Moldovan Government, Lumos is piloting an integrated approach to early childhood intervention (ECI) services in two regions in Moldova. This project seeks to provide vulnerable children and their families with accessible and appropriate care within their communities. This project is co-funded by Aperitivo, the Karl Kahane Foundation, Foundation Dora and Medicor Foundation.

Ukraine Emergency Response – Ukraine and Moldova

Lumos's Ukraine Emergency Response programme was started in March 2022 following the invasion of Ukraine in February 2022. Lumos has responded to this crisis through programmes in Ukraine and Moldova, working with partner organisations and Government to deliver a humanitarian response to those displaced by the war in Ukraine and refugees in Moldova. Lumos's response has focused on needs assessment, emergency aid (food and basic needs), family reunification and support, child protection and psychosocial support for trauma affected children and families, as well as working to influence childcare reform to protect the right of all children to grow up in families for the longer term. This work is funded by UBS Optimus Foundation, Comic Relief and Comic Relief USA.

Other

Comprised of various smaller projects including Panama Migrant Children, Care Reform Kenya, New Project sponsored by YPM Charitable Foundation, USA restricted revaluation Reserve.

Designated Funds

The funds have been designated by the Board for the purposes of non-programmatic support and discretionary strategic programmes not supported by restricted funding. The Designation specifies of the £2m received in June 2024, £1m is designated to be spent in FY25 and a further £1m to be spent in FY26.

Statement of Funds – continued – prior year

	01/01/2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31/12/2023 £'000
Restricted Funds					
Redirecting Philanthropic Funding	108	50	94	-	64
Education and Child Institutionalisation	24	23	47	-	-
Deinstitutionalisation in Colombia	-	186	171	-	15
Early Childhood Intervention in Moldova	80	254	171	-	163
Ukraine Emergency Response	354	2,244	826	-	1,772
Other	43	183	151	-	75
Total Restricted Funds	609	2,940	1,460	-	2,089
Unrestricted Funds					
Designated Funds	-	2,500	893	-	1,607
General Funds	2,940	2,449	2,772	-	2,617
Total Unrestricted Funds	2,940	4,949	3,665	-	4,224
Total Funds	3,549	7,889	5,125	-	6,313

18. Analysis of net assets between funds

Group	Unrestricted funds		Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
	General £'000	Designated £'000			
Tangible fixed assets	148	-	-	148	152
Intangible fixed assets	-	-	-	-	2
Investments	-	-	-	-	599
Current assets	2,972	2,000	796	5,768	5,972
Current and long-term liabilities and provisions	(307)	-	-	(307)	(412)
Total	2,813	2,000	796	5,609	6,313

	Unrestricted funds			2024 Total funds £'000	2023 Total funds £'000
	General £'000	Designated £'000	Restricted funds £'000		
Charity only					
Tangible fixed assets	148	-	-	148	152
Intangible fixed assets	-	-	-	-	2
Investments	-	-	-	-	599
Current assets	2,412	2,000	507	4,919	5,345
Current and long-term liabilities and provisions	(1,522)	-	-	(1,522)	(1,621)
Total	1,038	2,000	507	3,545	4,477

19. Related Party Transactions

Lumos Foundation recognises Lumos Foundation USA Inc. and other members of the Lumos Foundation group as related parties. Transactions and further details are provided in note 3. There were no other related party transactions during 2024 and 2023.

20. Financial Commitments

At 31 December 2024 the charitable company had annual commitments under non-cancellable leases as follows:

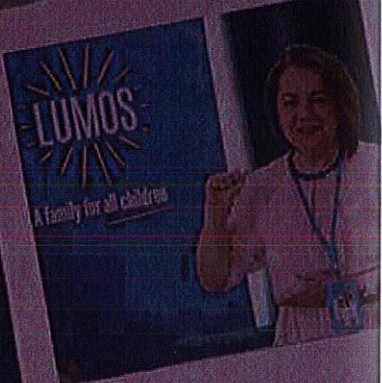
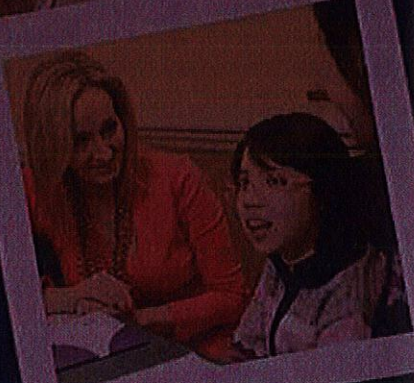
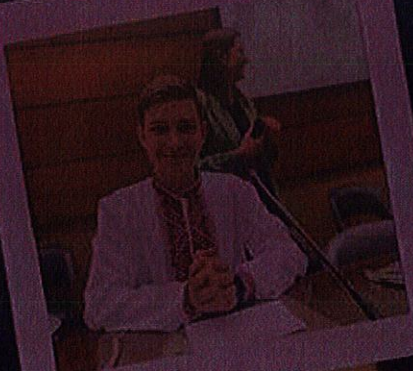
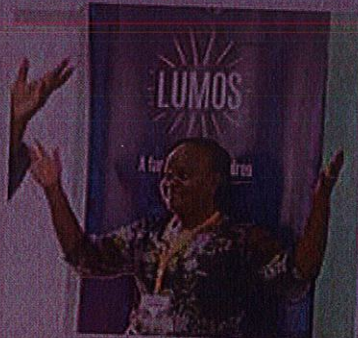
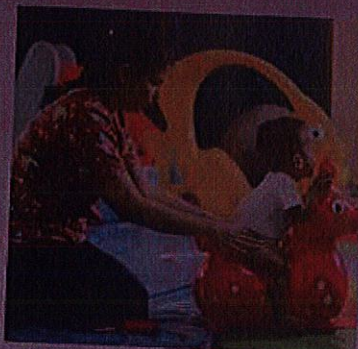
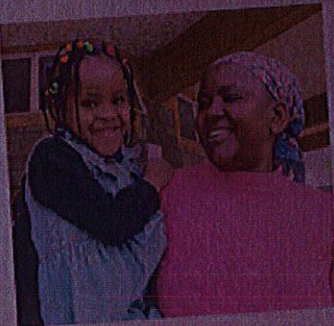
	2024 Property £'000	2024 Other £'000	2023 Property £'000	2023 Other £'000
Within one year	42	-	101	4
Between one and five years	-	-	4	-
Longer than five years	-	-	-	-
	42	-	105	4

21. Comparative consolidated statement of financial activities

Notes	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £
Income and expenditure			
Income from:			
Royalties from published books	1,009	-	1,009
Other royalties	-	-	-
Donations and Gift Aid	3,574	127	3,701
Investment income	72	-	72
Trading income	63	-	63
Other income	2	11	13
Charitable Activities:			
Grant income	228	2,802	3,030
Total income	4,948	2,940	7,888
Expenditure on:			
Raising funds			
-Raising donations and grant income, donor communication costs	1,573	-	1,573
-Investment management costs	5	-	5
Lease incentive release	-	-	-
Charitable Activities	1,926	1,460	3,386
Total expenditure	3,504	1,460	4,964
Net (expenditure)/income	1,444	1,480	2,924
Net gains (losses) on investments	(5)	-	(5)
Other recognised gains and losses	(155)	-	(155)
Net income	1,284	1,480	2,764
Reconciliation of funds:			
Total funds brought forward	2,940	609	3,549
Total funds carried forward	4,224	2,089	6,313

LUMOS 20

Every Child Deserves a Family
20 Years of Making it Happen



Lumos Foundation, founded by J.K. Rowling, is a company limited by guarantee
Registered in England and Wales No. 5611912.
Registered Charity No. 1112575.

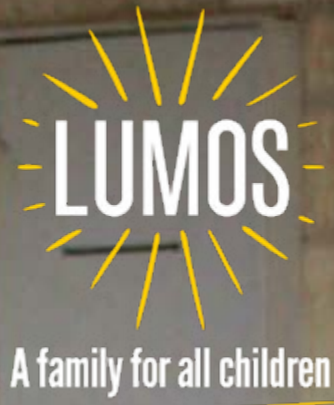
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wearelumos.org

LUMOS FOUNDATION

England & Wales - Charity number 1112575

Accounts



ANNUAL REPORT 2023



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OUR VISION

Our vision is a world in which all children grow up in safe and loving families.

OUR MISSION

To fight for every child's right to a family by transforming care systems around the world.

OUR VALUES

Children are at the heart of everything we do. They drive us forward in our vision and underpin every aspect of our work and strategy, helping us bring about the very best outcomes for the children we serve.

At Lumos, we fight for every child's right to a family by preventing family separation, protecting children and promoting the transformation of care systems around the world. We do this without discrimination, upholding the rights of every child. The children we work with are disproportionately likely to experience inequality and exclusion, so it is vital that our work be rooted in anti-discriminatory practice. This means ensuring that no child is deprived of help regardless of age, sex, disability, gender identity or expression, race, religion, sexual orientation, or economic status.

We strive to create an inclusive environment where all our staff feel safe, heard and valued. We respect and value the diverse perspectives of our employees and we ensure the freedom of expression of all individuals. This provides the foundation for delivering on our vision of ensuring that all children have a safe and loving family.







SAFEGUARDING

Lumos continues to develop and strengthen its safeguarding function and remains committed to accountability, learning from our experiences and working to foster a culture of openness that empowers staff, partners and programme participants. Much progress has been made in building a strong foundation of shared understanding and systems/procedures for both safeguarding prevention and response and further work is planned to continue to ensure consistent practice and a culture of safeguarding excellence.

Training and guidance on safer programming and implementation with partners, alongside a toolkit and guidance, was delivered for all staff at the end of 2022. From the beginning of 2023, significant work has been undertaken by the GSL (Global Safeguarding Lead) and DSLs (Designated Safeguarding Lead) to apply the toolkit and ensure safeguarding is embedded across activities, focusing attention and capacity on high-risk areas involving direct contact with children, adults and communities (including downstream delivery). This includes support to teams to ensure safeguarding risk assessments are completed and contextualised mitigations are put in place. DSLs have been facilitated to engage in peer-to-peer support in 2023 as well, offering them opportunities to share risk assessments, discuss challenges and learning and to share tools and resources.

Safeguarding policies are all regularly reviewed and up to date as of the end of 2023. Induction trainings and ongoing workshops to support the development and implementation of safeguarding have been offered throughout the year, including a specialist session for Trustees focusing on culture and safeguarding. Targets for continued improvement and strategic development were shared with the Board of Trustees via the annual safeguarding report, which were informed by an all staff safeguarding survey completed in September 2023.

EQUALITY, DIVERSITY AND INCLUSION

At Lumos, we fight for every child's right to a family by preventing family separation, protecting children and promoting the transformation of care systems around the world. We do this without discrimination, upholding the rights of every child. The children we work with are disproportionately likely to experience inequality and exclusion, so it is vital that our work be rooted in anti-discriminatory practice. This means ensuring that no child is deprived of help regardless of age, sex, disability, gender identity or expression, race, religion, sexual orientation, or economic status.

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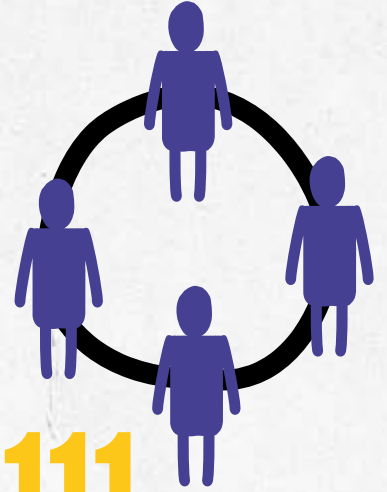


2023 IN SUMMARY



2,223

CHILDREN PREVENTED FROM FAMILY SEPARATION



111

CHILDREN REUNITED WITH FAMILIES/FOSTER CARE



173

CHILDREN/YOUNG PEOPLE INVOLVED IN CYP

199

FAMILIES TRAINED



1,518

PARENTS SUPPORTED

1,102

**REFUGEE
CHILDREN/
FAMILIES
SUPPORTED**



63

**TONNES OF
HUMANITARIAN
AID DISTRIBUTED**



2,652

**PROFESSIONALS
TRAINED**



909

**INTERNALLY DISPLACED
AND VULNERABLE
CHILDREN/FAMILIES
SUPPORTED**

CHILD AND YOUTH PARTICIPATION



AMPLIFYING YOUNG VOICES WORLDWIDE

Across all of our work in 2023, we increased our focus on empowering children and young people to influence decisions that affect their lives.

Youth participation matters. It ensures policy makers and service providers understand the issues that children and young people are really facing – and can take targeted, effective action in response. It makes sure young people's voices are heard, instead of being marginalised or excluded. And it enables young people to develop their communication and negotiation skills, and to feel more confident in services that exist to support them.

For all of these reasons, we worked in more ways throughout 2023 to support even the most marginalised children to use their voices. We developed a new Child and Youth Participation (CYP) strategic plan to clarify how we can and will deliver the greatest impact. We created more opportunities for children and young people to share their insights and ideas in the countries where we work. And we began setting up a Global Youth Advisory Board, so children and young people can advise us on all of our programmes and our future direction.

PUTTING CYP AT THE HEART OF LUMOS

Our new CYP strategy was based on an audit of our existing work and on extensive consultations with Lumos teams and young self-advocates. It became clear that, as well as amplifying the voices of children and young people with lived experience of harmful institutions and orphanages, we needed to create new ways for parents and families to be heard too. This will be central to our future thinking on CYP, as will the new Lumos Global Youth Advisory Board – the nature and role of which was being discussed at the end of the year.

Additionally in 2023, we developed new CYP training for all Lumos staff and added CYP learning to our induction process for new starters. CYP was prioritised in our country programmes worldwide, too.

And we celebrated the launch of our new Lumos podcast in 2023, creating a powerful new opportunity for young people to discuss the value of CYP, share success stories and tools, relate their experiences and advocate for young voices to be a catalyst for change.

Our youth participation advisor Aneta Teneva hosted early episodes in the UK, speaking to guests including former Lumos programme director, Tricia Young, and our board member, Jimmy Paul. And young people in Colombia, Kenya and Moldova also worked with Lumos to co-produce three episodes in each country, suggesting themes, formats and potential guests to bring to life the issues they face.

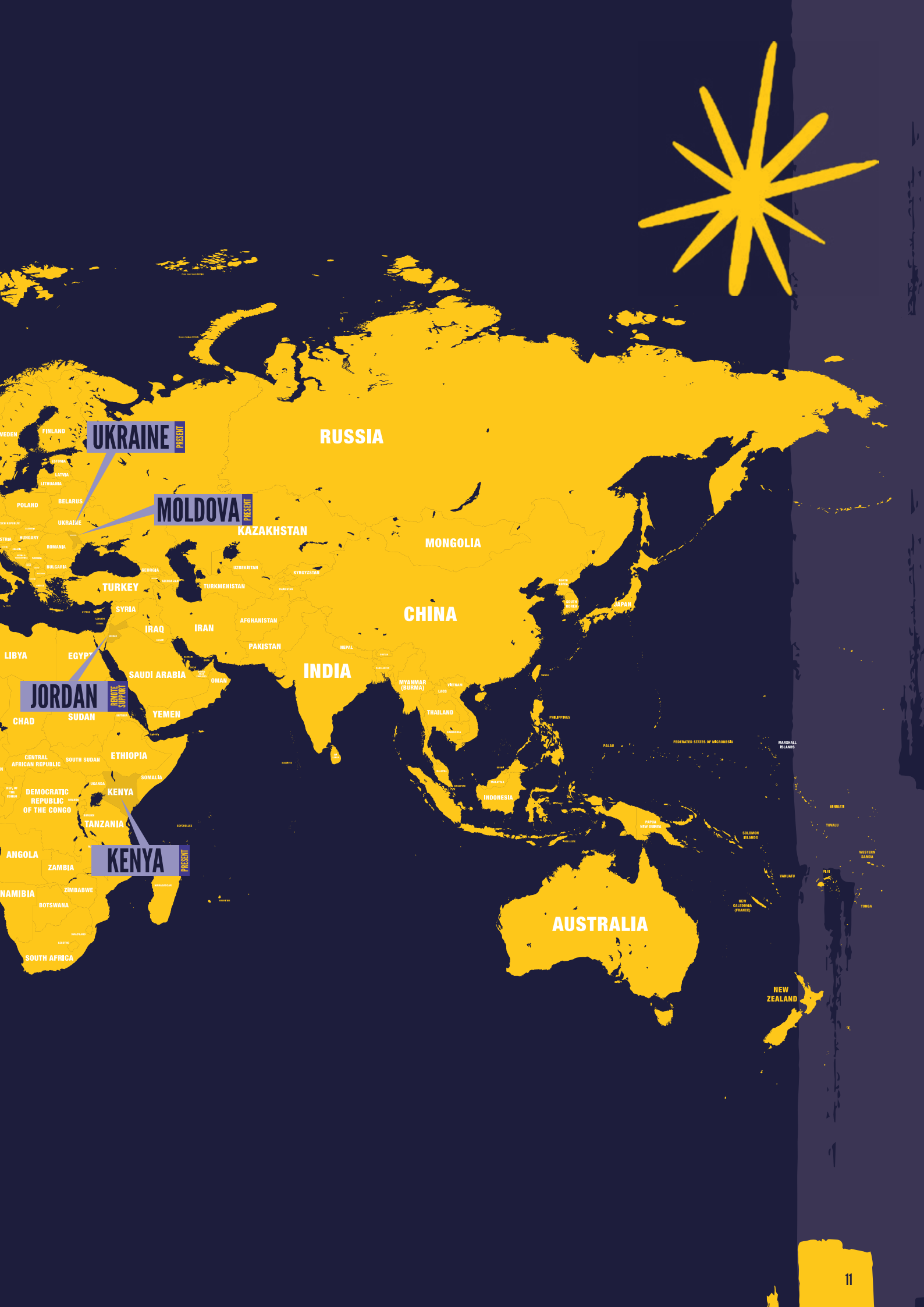


KEY SUCCESS

Child and youth participation expanded in 2023 in Colombia, Kenya and Moldova. A total of 435 children and young people were directly involved in participatory activities. This includes self-advocates contribution to Lumos US Gala, UBS projects - Redirecting Funding Campaign and the Global Thematic Review on Education.

WHERE WE WORK





UKRAINE PRESENT

MOLDOVA PRESENT

JORDAN REMOTE SUPPORT

KENYA PRESENT

RUSSIA

KAZAKHSTAN

MONGOLIA

CHINA

INDIA

AUSTRALIA

UKRAINE



PUTTING FAMILIES AT THE HEART OF RECOVERY

2023 marked our 10th year of working in Ukraine. As the devastating conflict with Russia continued, we delivered urgent humanitarian aid to families and communities, influenced care reform at every level and brought organisations together to prioritise child protection.

Even before the Russian invasion in February 2022, huge numbers of children across Ukraine were missing out on the chance to grow up with a safe and loving family. When Lumos began working in the country in 2013, over 100,000 children were living in 751 institutions – numbers that were among the highest in Europe. We've been inspiring change in Ukraine ever since, and in 2023 we continued to work with local, regional and national partners to tackle long-standing challenges and support children and families through the current crisis.

Our humanitarian work in 2023 fell into three areas – delivering food and education kits directly to children and families, providing technical support and guidance to increase family-based care, and advocating to put child protection at the heart of all of Ukraine's recovery plans.

In total, we provided emergency supplies including food and education items to 1,915 children from 909 families. This included children who had been hurriedly moved from institutions to families when the war began, children with disabilities, children who had been displaced and children from low-income families. We provided mental health support within communities too, because this combination of emergency essentials and psychological help can support families stay strong and stay together.

PUTTING FAMILY-BASED CARE FIRST

Our expert teams collaborated closely with Ukrainian authorities throughout the year, shaping future plans for childcare reform. We helped to draft a new national strategy on 'Ensuring the rights of children to grow in the family environment'. This will be used as the basis for transforming the family-based care system in the country, including by increasing the number of foster families and reducing the use of institutions.

We also partnered with a range of NGOs to set up a new Coordination Centre for the Development of Family-Based Care, working with Ukraine's cabinet of ministers. Within this partnership, we reviewed current legislation on placing children in residential care and on monitoring care institutions. We also took part in four public consultations – one national, three regional – to help create a roadmap for the future of family-based care in Ukraine. This roadmap will cover critical issues such as support for families, inclusive education and how to prevent children being placed in institutions.

Our teams passed on their knowledge too, delivering training with the Ministry of Education and Science and the Ukrainian Institute for the Modernisation of Education. The courses focused on creating safe spaces for education during emergencies, and have now been approved by the Ministry of Education to be used as part of postgraduate training for teachers and psychologists.

“THANKS LUMOS FOR THE NEW KNOWLEDGE AND SUPPORT. EVERYTHING WAS INTERCONNECTED, INFORMATIVE, STRUCTURAL AND PRACTICAL.”

TRAINING COURSE DELEGATE, 2024

At a regional level, our focus was on helping to reform the care system. In Zhytomyr, for example, we set up a new coalition of NGOs named ‘In the interests of children’. Together with our partners, we plan initially to advocate for the rights of children with disabilities and promote support for parents and communities.

And we also built on our years of advocacy experience to make sure care reform and child protection are central to Ukraine’s recovery. Highlights included setting up and co-leading an advocacy task force of international organisations to influence the Ukraine Recovery Conference in London, and co-organising a high-level side event at the conference on care reform.

We also established the Ukraine International Advocacy Task Force to influence key stakeholders, including the EU. Thanks to our supporters, Lumos has become a trusted voice on providing high-quality care systems for children.

KEY SUCCESS

The Government approved the Strategy on Inclusive Education for 2023-2030, based on the Lumos draft concept for the Transformation of Special Education and Action Plan for its implementation until 2026.

PREPARING TO REACH MORE CHILDREN WHO HAVE BEEN DISPLACED

Towards the end of 2023, we increased our efforts to support thousands of children and young people who have fled their homes because of the conflict. Our aims include increasing access to inclusive education for 18,000 children, training 2,400 teachers to support mental health, and providing emergency cash assistance to the parents and caregivers of 3,000 children. This work launched in November, and we immediately began a needs assessment to identify children in three Ukrainian communities with the least access to education and support. We also produced leaflets to let people know about the support available, which will continue into 2024 and beyond.



YOUNG PEOPLE'S VOICES AND EXPERIENCES GUIDE EVERYTHING WE DO. IN 2023, WE HELPED TO SET UP A NEW REGIONAL CHILDREN AND YOUTH COUNCIL IN ZHYTOMYR, SO CHILDREN AND YOUNG PEOPLE CAN INFLUENCE MORE DECISIONS THAT AFFECT THEIR LIVES AND THEIR FUTURES.

ALLA'S STORY

"WE WILL BE ABLE TO SAVE MONEY THAT WOULD HAVE BEEN SPENT ON PURCHASING THESE PRODUCTS [FOOD, HYGIENE PRODUCTS AND SCHOOL SUPPLIES] AND BUY CLOTHES, SHOES AND OTHER THINGS [MY CHILDREN] NEED."

As well as bringing up her own three children, Alla also cares for her niece. She is doing everything she can to give them the best start in life. But the conflict in Ukraine has made life a constant struggle. Her husband is currently unemployed, so Alla is now the only one working.

There are times, she says, when the pressure on her mental health becomes difficult to bear. But food and education kits from Lumos are helping Alla to focus on the future. She is determined to keep her family together, even as this devastating conflict stretches into its third year.

THANKS TO COMIC RELIEF

We have distributed emergency aid to thousands of children without parental care in the Zhytomyr region of Ukraine. We have supported the safe relocation of children from dangerous institutions and provided emergency support to emergency foster carers. We also provided essential technical assistance in the region and advocated for care transformation, nationally and internationally.



COLOMBIA

MAKING PROGRESS FAST

After a CYP coordinator was employed in Colombia in June 2023, the team rapidly set about developing country-specific plans and recruiting 60 volunteers aged 13 to 17 (36 girls and 24 boys) to form three groups and begin speaking up for change. These young people took part in 37 activities, workshops and training sessions during the second half of the year. All of the sessions were designed to help foster creativity, collaboration and emotional resilience as the young advocates prepared to inspire reform of the care system in Colombia – and it worked, as 14-year-old Juliana* explained:

“[NOW] WE HAVE A MORE OPEN DIALOGUE WITH EACH OTHER, WORKING MORE EFFECTIVELY AND SUPPORTING EACH OTHER. [WE SHARE AN] UNDERSTANDING THAT BEING IN INSTITUTIONS IS OFTEN NOT EASY.”

Lumos also supported two extraordinary young people – Maicol and Andrea – to share their stories and make recommendations for children’s rights at the Colombian Association of State Protection annual conference. It was another way that we brought young people together to push for change in 2023.

“I’M A CARE LEAVER FROM THE PROTECTION SYSTEM, AND I WANT TO THANK LUMOS FOR ALLOWING ME TO SPEAK WITH CARE LEAVERS FROM OTHER COUNTRIES. THIS HAS ALLOWED US TO SEE THE CHALLENGES THAT WE HAVE AS A COUNTRY TO GUARANTEE THE RIGHTS OF ALL YOUNG PEOPLE THAT HAVE GONE THROUGH THE PROTECTION SYSTEM.”

ANDREA



TURNING POLITICAL WILL INTO LASTING PROGRESS

The government of Colombia is committed to transforming child protection in the country. Throughout 2023, we worked closely with ministers to move towards a future based on care in families and communities – rather than institutions. And we offered support and training to help families stay together and to help young people speak out.

Our team in Colombia met with government officials, civil society organisations and legal professionals throughout 2023, pushing child care reform to the top of the country's political agenda. The government, which was elected in 2022, wants to move away from institutions and towards family- and community-based alternatives that enable children to thrive. We did everything in our power to make sure that transformation happens and happens fast.

We shared the findings of our strategic review of Colombia's care system with directors at the Colombian Family Welfare Institute (ICBF), as well as with private service care providers. This highlights the value and potential of family-based care for child wellbeing, as well as exploring how to overcome barriers to care reform. We also presented our national plan for childcare to the ICBF. It included recommendations from local experts and government officials who took part in our collaborative research process. Our close work with politicians and civil society groups has given us a valued voice in discussions on childcare reform.

Also in 2023, we reached children and caregivers in Colombia directly, working through our local partners. 271 children and 178 family caregivers were supported by Michin, through a range of programmes designed to help families stay together. Following tailored psychosocial support,

36 of these children returned to live with their families. Another 114 who were at risk of being separated from their families took part in Michin's workshops on building social and emotional skills and received support to cope during crises. And 11 foster mothers also joined with Michin to learn more about supporting children in foster families. Through far-reaching programmes such as this – which help children to leave institutions, prevent families being separated and strengthen foster care – the future becomes brighter for children and the people closest to them.

We also continued to help care professionals in Colombia develop their skills and knowledge in 2023. 117 people involved in foster care programmes and 71 foster mothers from the Cundinamarca, Bogotá, Tolima and Antioquia regions joined our workshops on effective care processes. And we gave technical support and training to regional authorities and private care providers on giving psychosocial support to help bring children and families back together.

EMPOWERING CHILDREN TOGETHER

Transforming the care system depends on involving and listening to children and young people in Colombia and around the world. In 2023, we launched a participation network that brought together 59 children and adolescents who live in residential care institutions or are part of programmes designed to stop families being separated.

The young people joined Lumos at workshops on developing emotional, social, cognitive and physical skills, and shared their experiences with officials from local and national government bodies. At one session we presented the findings of our strategic review so network members could give their feedback. And the group also elected 15 of their members to receive additional training and make an even greater contribution to care reform in the country. Feedback from network members, their families and the professionals they spoke to was excellent, and local

organisations have contacted Lumos wanting to join the network and increase their own focus on participation.

“THE PARTICIPATION WORKSHOPS HAVE ALLOWED ME TO DEVELOP THE ABILITY TO COMMUNICATE MORE AND SOCIALISE, PROMOTING EMOTIONAL INTELLIGENCE. IT IS RECOGNISED THAT IT IS OKAY TO EXPRESS EMOTIONS SUCH AS CRYING OR FEELING SAD, CHALLENGING THE IDEA THAT BEING ‘OKAY’ IS NORMAL. THE WORKSHOPS HAVE ALSO FACILITATED GREATER COLLABORATION WITHIN THE GROUP, PROMOTING BETTER TEAMWORK AND MORE ACTIVE PARTICIPATION.”

**CAROL [NOT HER REAL NAME] 16,
PARTICIPATION NETWORK MEMBER**

Additionally, we also supported four young people who grew up in Colombia’s protection system to travel to Chile and take part in an event entitled ‘Path to autonomy’. Speaking to an audience from countries across Latin America, they described their own experiences, discussed their connections with Lumos and explained why avoiding institutionalisation and strengthening family care has such powerful, long-term potential.

By amplifying young people’s voices, we stop young people’s hopes, priorities and rights from being ignored.

KEY SUCCESS

We built and developed child and youth participation with 59 children and adolescents living in residential care institutions or in family separation programmes. We also influenced the Government to establish a “DI Coordination Committee” within the Cabinet of Ministries, above ICBF, which prioritises childcare system transformation and ensures a holistic multisectoral approach to reform moving forward.

PARTNERSHIP WITH KJCF

We are hugely grateful to the Karlsson Játiva Charitable Foundation (KJCF) for supporting our Keeping Families Together Project in Colombia. The project, through the Latin American Children’s Trust (LACT) has helped to lead the way in care reform in Colombia since its launch two years ago, and it’s been instrumental in protecting and supporting 953 vulnerable children: 681 children who were at risk of being separated from their families have been supported through Lumos’s family strengthening services.

74 children have been placed temporarily in foster homes instead of in institutional care.

198 children formerly in institutional care have received life-changing psychosocial support from professionals supported by Lumos.

CASE STUDY


JUAN PABLO'S STORY

Eight-year-old Juan Pablo, who is autistic, is thriving as one of the 59 children who are part of Lumos's participation network in Colombia. Since first getting involved in August 2023, he's grown in confidence and is now often at the heart of discussions. He's suggested actions policy makers should take to stop children being separated from their families and knows that his voice matters.

Life has often been tough for Juan Pablo and his family. His older sister has cancer and, during the Covid-19 pandemic, the whole family had to leave home and spent several weeks living on the streets. He and his two siblings were put into a residential care programme, but now are back living at home with their mum.

Juan Pablo also joined a training programme for children with special educational needs, run by our partner, the Frine Foundation. The programme is designed to help families stay together, and Juan Pablo joined our participation network after getting involved.





**HE'S STOOD OUT AS
A NATURAL LEADER,
WHO SHARES LUMOS'S
DETERMINATION THAT
EVERY CHILD'S VOICE
SHOULD BE HEARD AND
LISTENED TO.**

MOLDOVA

ACTION FROM PARLIAMENT TO REFUGEE CAMPS

Children and young people took action in numerous ways in Moldova last year to make sure their concerns were heard – and Lumos was right by their side. For example, we supported self-advocates to:

- Share their stories during an education conference at the Moldovan Parliament, raising awareness of the challenges young people face
- Join a task force designed to increase participation among young care leavers
- Begin creating an independent NGO in Moldova, called Youth and Experience – so young people can continue working with children in care and care leavers, long into the future.

We also continued to support young refugees in four regions. Children and young people took part in activities including a three-day youth forum and workshops on creating child-friendly spaces. Being heard in these ways enables young people to build confidence and become more comfortable sharing their experiences and calling for change. One young person, Milana, told us:

“I LIKED IT BECAUSE IT WAS INTERESTING, INTENSE AND I LEARNED MANY NEW THINGS. WE LEARNED HOW TO PLAN DIFFERENT PROJECTS AND HOW TO BE MORE ACTIVE IN THE COMMUNITY.”

In addition, we continued to support young volunteers at two Youth Friendly Health Centres, as part of our efforts to support parents and prevent young children – including those with disabilities – being separated from their families. 68 young people – 49 girls and 19 boys – took part in peer-to-peer support workshops as part of this initiative.

435 CHILDREN AND YOUNG PEOPLE JOINED YOUTH PARTICIPATION EVENTS IN COLOMBIA, KENYA AND MOLDOVA IN 2023.





A NEW CHAPTER FOR FAMILY-BASED CARE

Lumos has been a driving force for care reform in Moldova for many years. In 2023, there was reason for celebration as we worked with the government to launch a new action plan with the potential to keep many more families together.

TRANSFORMING SUPPORT IN EARLY CHILDHOOD

In July, the government of Moldova approved a new national action plan for setting up early intervention services for children with developmental delays. We know early intervention plays a vital role in helping to prevent family separation, because it makes it easier for vulnerable young children and their families to be identified and given effective support at the right time. The plan was heavily informed by our pilot Early Child Development/Early Child Intervention (ECD/ECI) services in the Floresti and Ialoveni districts. We also helped to draft provisions in the government's new approach, including the fact that children will be able to access support up until the age of five, rather than three.

Twenty-four new early intervention centres will now be set up across Moldova – and again Lumos will have a central role. We have partnered with the Ministry of Health and UNICEF – which is helping to fund the work – and will set up two ECI district centres and 10 community ECD offices in Făleşti and Cimişlia. In 2023, we began providing training for paediatricians, family doctors, nurses, psychologists and social assistants from these regions, supporting people to identify possible developmental delays and disabilities as early as possible. This training will continue in 2024.

Also in 2023, we set up six new Early Child Development and Early Child Intervention (ECD/ECI) community centres in the Floresti and Ialoveni regions, and we launched early education spaces in seven education institutions. These projects are designed to stop children ever entering the care system – by putting tailored support in place that helps children and families stay together. In total, 1,337 children were given support at Lumos-supported ECD centres in 2023.

We also ran 32 training sessions for 542 healthcare, social care and early education professionals, raising awareness of the importance of ECD and ECI and improving the quality of support available to children and families. And 128 parents and carers joined 16 formal training sessions at our community ECD/ECI centres, building their knowledge of caring for young children, including those with developmental disorders and disabilities.

The “Ukrainian Refugee Crisis Response in Moldova” project was financed by Terre des Hommes Netherlands and started in December 2022. The six-month project had a total budget of just under 200,000 Euros and was designed to support local authorities from four districts – Floreşti, Ialoveni, Glodeni and Teleneşti – in their efforts to provide help and support for refugee children and families hosted by local families. The project's main objectives were:

- To help refugee children and their families meet their basic and essential needs
- To facilitate appropriate access to educational and healthcare services for refugee children
- To engage these children in community child and youth participation activities

To strengthen capacities of the national and local public authorities, service providers, frontline specialists and other professionals as well as local NGOs to provide an effective emergency response to the Ukrainian refugee crisis.



UNICEF MOLDOVA

An initiative to generate evidence on refugee children with disabilities to improve access to relevant services was backed by financial support from UNICEF. It culminated in the presentation of key findings to the members of working groups for child protection and education, established at the onset of the Ukrainian refugee crisis.

The four-month-long project, navigated through three pivotal phases:

1. Mapping of Ukrainian refugee children with disabilities and research methodology development
2. Initial individual assessment of needs for Ukrainian refugee children with disabilities
3. Complex assessment and identification of individual needs for Ukrainian refugee children with disabilities

TACKLING THE THREATS FACED BY YOUNG REFUGEES

Some 121,000 Ukrainian refugees have remained in Moldova after the Russian invasion of Ukraine. Around 40% are aged under 14, with many at increased risk of being trafficked, exploited or abused. Some have been separated from their parents after arriving in the country without the paperwork they needed or being left at the border by family members who were unable to leave Ukraine.

Throughout 2023, we continued to support refugee children and their families in the Ialoveni, Floresti, Glodeni, and Telenesti districts. We supported local public authorities to put children and families' needs first, helping to assess, plan, coordinate, manage and monitor the response to the refugee crisis. We also helped to set up child-friendly spaces and arrange activities to bring together refugee children and people from host communities. And we ran three training sessions for 69 frontline professionals on safeguarding, child protection, child trafficking, child labour, sexual exploitation and abuse in emergencies.

CASE STUDY

ROMINA'S STORY

“I FEEL LIKE I’M PART OF THE CHANGE. THERE IS GREAT NEED FOR US, YOUNG PROFESSIONALS, TO GO AND WORK IN THE DISTRICTS AND COMMUNITIES WHERE OUR KNOWLEDGE IS MOST REQUIRED. THE EXISTENCE OF MODERN, WELL-EQUIPPED FACILITIES LIKE THE ECI CENTRE IS A HUGE PART OF THAT.”

For many years it’s been a challenge for children and families at risk of being separated to get support in Moldova outside Chişinău, the capital city. But as the government and Lumos work together to open more Early Child Development and Early Child Intervention centres across the country, that’s beginning to change. For Romina Sorbală, a paediatrician who grew up in Floreşti and returned to the district to work in an ECI centre supported by Lumos, the expansion of children’s services across Moldova is a huge step forward.

“I was born in Floreşti and, after graduating from the university and finishing my residency at a hospital in Bălţi, I decided to return home, where there is need for specialists in various fields,” Romina says. “I see my role in providing medical assistance to each child with a developmental delay – or at risk of having one – and to their families, helping them in raising their children.”

Romina admits she was surprised by the quality of facilities and support available at the ECI centre. This shows how seriously care for families is now being taken in the country, she says. “I’ve been discussing this a lot with mothers of the children coming here and all of them have only good words to say about it. I myself, as a young mother, am surprised to see all of this equipment and the materials carefully selected to aid the development of children with speech, cognitive or locomotive disorders.

“WE KEEP CHILDREN BUSY PLAYING AND, WHILE THEY DO, WE’RE DOING OUR JOB: OBSERVING, CHANNELLING THE GAME TO ACHIEVE OUR PURPOSE AND SHOWING PARENTS AND CARERS WHAT TO PAY ATTENTION TO AT HOME, SO THEY CAN CONTINUE THE WORK STARTED AT THE CENTRE.”

It’s clear to see how much Romina loves being in her role – and loves seeing the difference it makes to the children and families she supports. “I feel,” she smiles in conclusion, “like I’m part of the change.”

KEY SUCCESS

Due to Lumos’s advocacy and influence, the Government has approved the National plan for the development of ECD/ECI services for the 2023-2027 based on our model of integrated system of ECD/ECI services and of the regulatory framework for these services.



THANKS TO FONDATION DORA

Fondation Dora is a Swiss family Foundation working to support children and teenagers with disabilities. They are supporting Lumos's three-year project, running from 2022 – 2025, to introduce ECI services for children with disabilities into local communities in Moldova.

By introducing local access to specialist services, such as physiotherapy, speech therapy and neurology, this project is aiding families to keep their children at home, rather than sending them to live in institutions.

KENYA

REACHING OUT TO GOVERNMENT

36 children and young people, supported by Lumos, took part in a groundbreaking two-day participatory event in Embu County. The group included children with disabilities and children who are not in school. Together they have lived in 12 charitable children's institutions.

During the event, the young advocates shared their perspectives with government officials and staff from the local Directorate of Children Services. They described their best and most challenging experiences and made suggestions on how to make family life safer, happier and more sustainable. The discussion ranged from schooling to better support for parents, and all local representatives pledged to introduce new ways to incorporate CYP in their institutions. Lumos also ran a workshop on setting up platforms for child and youth participation, as together with young people we pushed the need for care system reform up the Kenyan agenda.

Towards the end of 2023, we also took our work to the courtroom, supporting the launch of a groundbreaking child-friendly court in Embu County. Children's voices should be heard in every discussion about care reform. But when legal intervention occurs, normal courts can be intimidating for children.

So we worked with local child protection and law officials to transform Embu County court. Child-friendly artwork was added to the walls. The magistrate's seat was moved to be on the same level as children, instead of above them. And spaces were created so children could see everyone in court without being seen themselves. Mr Mundi summed up the transformation by simply saying:

"THE CHILDREN'S COURT IS A DREAM COME TRUE. IT FEELS LIKE A NEW YEAR'S GIFT AND WE ARE VERY GRATEFUL TO LUMOS."

CREATING PROGRESS AT EVERY LEVEL

By working directly with the government, at regional level and in communities, we continued to inspire extensive reform of children's care across Kenya.

At a breakfast event attended by Lumos CEO Peter McDermott in February, it was heartening to hear how valuable our work in Kenya is seen to be. The head of the Directorate of Children's Services and the CEO of the National Council for Children's Services were among those who acknowledged our role in spearheading the agenda of care reform in Kenya and stated their commitment to continue working with Lumos. It marked the beginning of a year when progress in Kenya was wide-ranging and widespread.

A comprehensive care reform strategy has now been agreed in the country, and in 2023 we helped to develop, review and finalise nine key policy documents related to it. We also ran training courses for senior staff at a range of government bodies and charitable children's institutions – both of which will play a vital role in turning the strategy into a powerful reality. Twenty-three government staff and 32 NGO employees joined us for the training, which covered subjects including child protection and care reform action planning.

We also helped to set up the overarching advisory committee and six county-level advisory committees that will now help to coordinate children's care in Kenya. These form a core part of the care reform strategy, and should be a catalyst for many more of the 1,500 children currently in statutory institutions and 26,000 children in private institutions to find safe, loving homes.

A NEW DAWN FOR CHILDREN'S PARTICIPATION

Children and young people should have a voice whenever care reforms are planned and set in motion, and in Kenya in 2023 we supported our first Children and Youth Participation (CYP) event in Embu County. Thirty-six young people took part, including children with disabilities and children who are out of school. The insights and ideas they shared were then collected into a booklet and shared with the local authorities that are rolling out the new care reform strategy. You can read more about this initiative and CYP more widely on page 10.

DRIVING CHANGE ACROSS AFRICA

One of our objectives in Kenya is to work with partners across Africa to build awareness of the challenges children face when they live separately from their families, and to support reform that leads to safe, sustainable care. Partnership and collaboration are key to our thinking, and in 2023 we were the secretariat for the

Africa Working Group on Children Without Parental Care.

Through this role, we learned more about the discrimination, abuse and exploitation experienced by many children, and we helped to secure funding for a consultant who will build closer links with the African Committee of Experts on the Rights and Welfare of the Child. This will help to create greater momentum than Lumos could achieve alone, as we keep supporting governments to recognise how children can leave institutions behind for good and be safely reunited with families.

KEY SUCCESS

we contributed to the redefining of the social cash transfers, which broadens eligibility to include families of children returned from institutions, families at risk, and those providing community-based alternative care. This innovative approach facilitates sustainable reintegration through economic support measures.



PANAMA

We continued our work in Panama in 2023, linking with our local partner Casa Esperanza and with authorities in the country to lay the foundations for a transformation for vulnerable children.

Our focus was on building understanding of the value of care reform, so we invested in training in Panama and supported learning visits to see care reform in action elsewhere in Latin America.

Thirty-six people from the Chiriquí Protection Board attended our training, along with representatives from the National Secretariat from Children and Families (SENNIAF) and delegates from Casa Esperanza.

We also brought together a delegation from SENNAF, Casa Esperanza, UNICEF and Panama's judicial body to visit Colombia and Costa Rica, where together we saw the impact of effective foster care. The trip gave officials from Panama the chance to learn about models of foster care, common challenges and how these can be overcome. The delegates were also able to speak to foster families and – crucially – young people who have benefitted from loving foster homes. And the impact of the trip will be felt for years to come, as members of the delegation agreed to keep collaborating with and learning from many of the experts they met.

Finally, we also supported the Casa Esperanza team to begin building its own foster care programme. Staff advertised for interested families and ran talks in communities to let people know what is involved. As people applied to find out more, Casa Esperanza's technical team then visited families at home and began processing the first applications. It was another clear sign that momentum for a new kind of care is continuing to grow in Panama.

USA

Lumos USA was founded in 2015 to support the vital mission to ensure all children grow up in safe and loving families. Lumos USA works with philanthropists, like-minded non-profit organisations, policymakers, grantmakers, and corporate partners to address the root causes of child institutionalisation and to realize a world in which our mission and vision can be a reality.

In September 2023, Lumos USA hosted its first in-person event in over five years, the Illumination Dinner & Concert – A Celebration of Family.

Hosted at City Winery – New York City, the event welcomed over 150 supporters, partners, and friends to celebrate the inspirational work of Lumos worldwide. The evening gave insights into some of the children and families Lumos works with and sparked meaningful conversation in a virtual panel on the war in Ukraine with Lumos Founder and Life President J.K. Rowling, Ambassador of Ukraine to the United States Oksana Markarova, and Presidential Commissioner for Children's Rights & Child Rehabilitation Daria Herasymchuk.

Thanks to the incredible support of Lumos's Title Sponsors and Honorees, Scholastic Inc. and Warner Bros. Discovery, 100% of every dollar raised at the Illumination Dinner & Concert went directly to Lumos's global programs. In total, the event raised over \$535,000.

The Illumination Dinner & Concert culminated in incredible performances by national talent Dale Henderson, Augie Bello, and Joaquina Kalukango under the direction of Meg Zervoulis.



ADVOCACY AND EVIDENCE

CREATING AWARENESS AND BUILDING PRESSURE FOR CHANGE

With our partners and allies around the world, we pushed for care reform at the highest levels and showed why inclusive education and family-based care need to be developed together.

Advocacy has always been a critical strategic priority for Lumos. We know that ending institutionalisation benefits children and society. Through targeted research and advocacy, we can better understand the drivers behind institutionalisation, demand accountability and be a catalyst for international funding, programmes and policy that deliver the transformation needed to create high-quality care systems.

Our evidence-based advocacy work in 2023 spanned the globe and encompassed a wide range of issues connected to family-based and community-based care. Partnership was always at the heart of our approach, because no actor working alone can transform children's care globally. But by connecting with others, sharing insights and ideas and speaking with one united voice, we can ensure many more children have the love, attention and opportunities they need to thrive.

PUTTING INCLUSIVE EDUCATION IN THE SPOTLIGHT

Our Global Thematic Review on Education, funded by UBS Optimus Foundation, came to an end in June. We know all children have the right to grow up in a family and to have a quality education that meets their needs. But the review has highlighted that these rights are sometimes seen as mutually exclusive. For example, some children are only able to access education in residential institutions, meaning that their families are forced to choose between their child's rights.

Inspired by our research findings, we undertook a wide range of high-impact advocacy. In February 2023, this included launching our Learning Curves Research Pack, containing a working paper in five languages, case studies from three countries, two policy briefs and a series of event recordings.

95 people attended our Learning Curves launch. 100% said their knowledge of education and institutional care improved as a result.

We also hosted a separate Learning Curves launch event at the Moldovan Parliament, attended by three secretaries of state and 11 members of parliament. Government representatives from Colombia, Kenya, Moldova and Ukraine also joined us for an animated and wide-ranging virtual round table discussion. One participant said during the discussion: "We used to believe that children with disabilities didn't have

the skills needed to attend mainstream schools. Now, we know that it was us who didn't have the skills to educate them."

Since completing the Thematic Review, our team has continued to build awareness of the links between care reform and education, including by:

- Contributing to a forthcoming UNICEF White Paper on boarding schools.
- Presenting our education research to delegates from across Africa on World Children's Day, as part of a celebration organised by the African Working Group on Children Without Parental Care.
- Holding a virtual roundtable for NGOs, to introduce our research and discuss future advocacy opportunities.

Looking to the future, we'll keep building on this research and on the relationships it has helped us foster – as we keep fighting for the rights of every child.

COLLABORATING WITH MORE PARTNERS IN MORE WAYS

By strengthening our links with organisations including Hope and Homes for Children, the Better Care Network and the European Expert Group on the Transition from Institutional to Community-Based Care, we were part of a range of collaborative advocacy successes. These included:

- Delivering learning sessions for EU officials on how EU funding can be used to support care reform, including in Africa. This led to a follow-up meeting with the European Union mission to the African Union.
- Presenting a well-attended learning event for the European Commission's department for enlargement, exploring how care reform can be supported through EU accession processes.
- Taking on a co-convenor role in working groups of the global Transforming Children's Care Collective. Through this collaboration, we are better placed



to help organisations partner with other organisations engaged in child protection and care reform to agree common principles, build on each other's work and deliver sustainable impact for children worldwide.

REDIRECTING FUNDING CAMPAIGN

We know that money plays an important role in keeping orphanages and other institutions around the world open. While some of this money comes from governments, some is also private funding. In order to make the change we want to see, we need to tackle this flow of funding at its source. That's why Lumos is working on a flagship sector-wide campaign, funded by UBS Optimus Foundation, aimed at philanthropists, to redirect funding safely away from institutions and into family and community care. This year, we have made great progress including:

- Analysing the profile of hundreds of philanthropists to understand their motivations for giving
- Working with a Strategic Communications partner to help develop impactful messaging to change hearts and minds
- Supporting our campaign's Youth Advisory Board to develop a podcast series aimed at philanthropists

We're looking forward to a launch for our campaign pledge in 2024.

PROPELLING REGIONAL ADVOCACY FORWARD

DRIVING CHANGE ACROSS AFRICA

Partnership and collaboration are key to our thinking, and in 2023 we continued to act as the Secretariat for the Working Group on Children Without Parental Care

UBS OPTIMUS FOUNDATION

We are so grateful to the UBS Optimus Foundation for their partnership and support as we prepare to launch our ambitious campaign to raise awareness amongst philanthropists of the harms of institutions and seek to sustainably redirect funding to family and community-based services, so that children can grow up in families where they belong.

in Africa. Through this role, we learned more about the discrimination, abuse and exploitation experienced by many children. Working together with partners across the continent, the Working Group serves as a collective body advising the African Committee of Experts on the Rights and Welfare of the Child (ACERWC) on issues relating to children without parental care across Africa, with the aim of shaping policy and programming. We helped to secure a successful funding bid to support the work of the Group going forward and helped identify a consultant who will build closer links with the ACERWC. This work will help to create greater momentum than Lumos could achieve alone, as we keep supporting influential regional bodies and governments to recognise how unnecessary family separation can be prevented and how children can leave institutions for good and be safely reunited with families.





KNOWLEDGE EXCHANGE ACROSS LATIN AMERICA AND THE CARIBBEAN

Our work as a core member of the Global Movement for Children in Latin America and the Caribbean is just one example of our regional work in 2023. We worked closely with peer organisations on numerous joint advocacy initiatives, including a series of four webinars on transforming care. Young people with lived experience of growing up in institutions hosted one of the webinars and supported another on children and young people's participation. We also explored issues connected to foster care and preventing family separation.

Around 300 participants joined each session, as we shared examples of care systems that have been transformed and highlighted how to overcome common challenges. New conversations were set in motion across the region as a result, and Lumos was invited to El Salvador to suggest how to create a foster care programme in the country.

SUPPORTING RESEARCH WITH BIG POTENTIAL

Our partnership with two influential academics – Dr Justin Rogers at the Open University and Prof Lizzi Milligan at Bath University – is one of many projects that we believe will create impact for years to come. We worked together to plan a research study on education and institutionalisation in Kenya. With funding now secured, work has begun on collecting high-quality evidence that can inform our advocacy in the country. We hope this study will help to secure funding from the Economic and Social Research Council for a larger follow-on study.

PLAYING AN ACTIVE ROLE IN THE CARE REFORM EVIDENCE COMMUNITY

By working with the care reform evidence community, we can contribute to strengthening the evidence base for care reform implementation and advocacy. Lumos actively participated in the Evidence for Impact working group within the Transforming Children's Care Collaborative, participating in several sub-working groups to jointly plan how to utilise emerging research and to develop a sector-wide research agenda. We worked together with partners to develop a thematic brief on systemic care reform.

Principal risks

Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission Guidance. This register is reviewed and updated every six months by the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is dedicated risk session with the Board once a year. Additional risk sessions are included in Board meetings where appropriate.

Lumos Corporate Risk Register (CRR) includes risks across five categories: strategic and reputational, operational, compliance, financial and governance.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

In 2022 Lumos continued to update risk management arrangements and strengthen internal processes. Lumos continues to build upon good practice in the areas of security and safeguarding. Particular attention has been paid to the additional risks associated with the operations in Ukraine and Moldova given the evident security considerations. Lumos will take further steps to review and update its internal risk management policy to better reflect the inherent risks associated with working in areas of conflict and civil unrest.

The charity has identified the following key risk and uncertainties:

1) Poor fundraising performance and a lack of income diversity

Mitigations: New team structure and capacity to diversify income streams and provide effective line management and support to retain staff. Strengthening of processes to manage restricted funds in line with strategic priorities. Greater scrutiny of and support to fundraising plans and performance by the finance team, executive leaders and the Board of Trustees. Income diversification to include institutional, corporate and major donors. Effective monitoring across all income streams, i.e. monthly reporting against KPIs and variance against budget forecast.

2) Recruitment, retention and managing reduced staff capacity

Mitigations: Employing additional human resources into core functions. Deprioritising non-essential or non-generative activities which sit outside of the core strategic objectives. Development of new policies, systems and procedures, including a new EDI statement.

3) Reputational risks and negative media interest in the charity

Mitigations: stakeholder management and communications. Partner, founder and contractor due diligence with associated compliance, monitoring and reporting processes, crisis response protocols. Increase Lumos's profile as an independent charity/NGO and report on impact and development.

4) Safety and security risks of personnel operating in high risk countries

Mitigations: Regular ongoing security assessments enable rapid analysis of changing circumstances and adaptation of programming, including cessation of activities when appropriate. Regular disbursement of smaller amounts of funds to partners to tighten financial controls. Security Contingency plans regularly updated.

5) Safeguarding risks: the risk of harm to children and adults

Mitigations: Additional capacity provided to safeguarding team and improvements made to safeguarding due diligence guidance and protocols. Review and implementation of the global safeguarding policy and related reporting protocols with associated programme staff and refresher training. Strengthening of integration of safeguarding into programme design and reporting.

Financial review

A summary of the year's results can be found on page 49 of the attached accounts.

Lumos financial results summary	2023	2022
	£'000	£'000
Total income	7,888	7,149
– Funds from individual giving	3,701	2,967
– Grant income	3,030	2,023
– Income from royalties	1,009	1,856
– Income from trading activities	63	230
– Investment and other income	85	73
Total expenditure	4,964	7,410
– Charitable activities	3,386	5,961
– Cost of raising funds	1,578	1,449
Other (losses)/gains	(160)	204
Net Funds movement	2,764	(57)
Reserves carried forward	6,313	3,549
– Unrestricted	4,224	2,940
– Restricted	2,089	609

During 2023, Lumos continued the restructuring of its operations and reduction in headcount as part of the change programme agreed in 2020. The aim was to maintain a sustainable platform for future operations and overall strategy being pursued, and phased implementation in line with resources.

The positive net funds movement for the year is in large part due to a restricted grant received in late 2023 to be expended in 2024 and a substantial unrestricted donation received in 2023 intended to cover costs in 2024.

Investment policy and performance

For much of the calendar year 2023 equity markets traded broadly sideways, a resilient performance given the backdrop of continued interest rate rises and falling bonds. Sentiment, however, reached an inflection point in late October as investors became increasingly confident that inflation was moving back downwards, marking the likely peak in interest rates. This triggered a healthy rally in bond and equity markets in the final couple of months. Within the context of a lower risk mandate, the portfolio benefitted from this rising tide, the total return of 5.8% comparing favourably with the ARC Cautious Charity Index return of 3.6%. Given the strong leadership from the technology sector, the portfolio's performance was boosted by exposure to companies such as Microsoft, Adobe and Alphabet, but also from substantial rises in stocks including RELX (seen as a beneficiary of AI), CRH (beneficiary of US infrastructure initiatives) and Siemens (factory automation as companies looked to build new manufacturing capabilities closer to end markets). The portfolio also benefitted from a short dated bond focus, the fixed income portion of the portfolio making a positive contribution and generating a return about double that of the All Maturities Gilt Index.

In April 2024, the investment portfolio was liquidated and the cash is currently held on deposit with Lumos's bank, HSBC plc.

Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2023, there were no fundraising complaints.

Our income is affected by external factors such as the ongoing war in Ukraine, fluctuations in the economy, royalty payments donated by our Founder, changing donor priorities and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

Reserves policy and going concern

The Trustees balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The charity holds sufficient unrestricted funds for the following purposes:

To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth. In addition to fundraising risk, there are also risks of stock market variations, which may negatively impact the value of the investment portfolio and future levels of return.

To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

To support working capital funding requirements

In a number of Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of income in the second half of the year which has an impact on the cash flows of the charity.

To help to protect Lumos work beyond the current year

In the event of a sustained downturn in income, Lumos would require a period of time to make adjustments to programmes in order to minimise any related impacts to children. This includes the established country demonstration programmes in Europe, Latin America and the Caribbean programmes in Colombia, and technical support that is provided to a number of countries around the world, where Lumos does not have a physical presence.

Finally, Lumos retains funds to maintain its 100% pledge to the public, so that no portion of their donation is used to fund overhead costs.

Funds

Restricted funds £2.1m (2022: £0.6m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Unrestricted funds £4.2m (2022: £2.9m)

Unrestricted funds include tangible and intangible fixed assets of £0.1m (2022: £0.1m) and designated funds of £1.6m, where the designated funds have been allocated by the Board for the purposes of non-programmatic support of the 100% pledge and discretionary (non-programmatic) strategic programmes not supported by restricted funding.

The readily realisable free reserves balance is £2.5m (2022: £2.8m).

Our target base level of free reserves is equivalent to approximately 3 to 6 months operating expenses, which is £1.4m to £2.8m.

Conclusion

Given the level of reserves and the prudent steps undertaken in 2022 and continued in 2023 to align our operations and resources to our programmatic and financial strategy, together with forecasts, budgets and a reorganisation of the charity in 2024, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Structure, governance and management

Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in December 2021. Lumos's objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.
- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: all children grow up in safe and loving families; (ii) mission: to fight for every child's right to a family, by transforming care systems around the world.

Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. Friends of Lumos USA Ltd is a dual qualified charity that permits individuals to obtain tax relief in the United States and also in the United Kingdom, thus enabling U.S. citizens and green card holders resident in the United Kingdom to support Lumos's objectives in a tax-efficient manner.

During the year, Friends of Lumos USA Ltd was effectively dormant. An application was made March 2024 for Friends of Lumos USA Ltd to be dissolved and struck off the Register of Companies.

The Lumos Foundation USA Inc. statement of financial activities results for 2023 are a deficit of £1,254k (2022: surplus of £739k) as a result of a grant of £2,082k made to the parent charity in the year.

Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 71.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. Lumos currently has eight Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2023, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

A system of Trustee appraisal operates via the People Committee. A periodic Board skills audit is carried out to determine the range of skills and experience which would be required to fill existing gaps. The last such audit was in Q4 2020.

Organisation

The Chief Executive Officer and Executive Leadership Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos's work and regularly reporting progress to the Board.

Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

Grant-making policy

Whilst Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos's standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos's procedures.

Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. The Trustees have appointed investment managers, Close Brothers, to manage Lumos's investment funds. Investment performance is managed by the Finance and Risk Committee. In April 2024, the investment portfolio was liquidated and the cash is currently held on deposit with Lumos's bank, HSBC plc.

Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts, notes 11 and 20 respectively.

Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

2024 restructure

To ensure its financial sustainability, Lumos underwent a restructure during April and May 2024. This included rationalising central administrative functions within a streamlined Corporate Services model, whilst redeploying resources to the Country Programme teams enabling better efficiencies and effectiveness locally.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

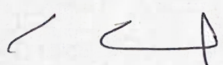
Disclosure of Information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.

Carol Copland
Chair of Trustees
Lumos Foundation

 Date: 18.09.2024

Independent auditor's report to the members of Lumos Foundation

Opinion

We have audited the financial statements of Lumos Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2023 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 United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 43, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees, communication with component auditors and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Wills

Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 25 September 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 December 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total Funds £'000	2022 Total Funds £'000
Income from:					
Royalties		1,009	—	1,009	1,856
Donations and Gift Aid	1	3,574	127	3,701	2,967
Charitable activities					
Grant income	2,19	228	2,802	3,030	2,023
Investment income		72	—	72	21
Income from Trading activities		63	—	63	230
Other income		2	11	13	52
Total income		4,948	2,940	7,888	7,149
Expenditure on:					
Raising funds:	4				
Raising funds and donor communication costs		1,573	—	1,573	1,444
Investment management costs		5	—	5	5
Charitable activities	5	1,926	1,460	3,386	5,961
Total expenditure		3,504	1,460	4,964	7,410
Net income/(expenditure)		1,444	1,480	2,924	(261)
Other recognised gains/(losses):					
Net loss on investments	14	(5)	—	(5)	(91)
Exchange rate (losses)/gains		(155)	—	(155)	295
Net movement in funds		1,284	1,480	2,764	(57)
Reconciliation of funds:					
Total funds brought forward		2,940	609	3,549	3,606
Total funds carried forward	20	4,224	2,089	6,313	3,549

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

Consolidated balance sheets as at 31 December 2023

	Notes	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Fixed assets:					
Tangible assets	13	152	152	135	135
Intangible assets	13	2	2	15	15
Investments	14	599	599	567	567
		753	753	717	717
Current assets and liabilities:					
Debtors	15	1,002	1,034	1,447	1,492
Short-term deposit		9	—	9	—
Cash at bank and in hand		4,961	4,311	2,547	2,180
		5,972	5,345	4,003	3,672
Creditors:					
Amounts falling due within one year	16 a)	(412)	(1,621)	(852)	(3,875)
Net current assets		5,560	3,724	3,151	(203)
Total assets less current liabilities		6,313	4,477	3,868	514
Amounts falling due in more than one year	16 b)	—	—	(124)	—
Provisions for liabilities and charges	17	—	—	(195)	(195)
Net assets		6,313	4,477	3,549	319
Funds:					
Restricted funds	19	2,089	584	609	584
Unrestricted funds					
Designated funds	18	1,607	1,607	—	—
General funds	20	2,617	2,286	2,940	(265)
Total funds		6,313	4,477	3,549	319

As permitted by section 408 of the Companies Act 2006, a Statement of Financial Activities for the charity has not been presented.

The Lumos Foundation charity statement of financial activities results for 2023: £4,158k surplus (2022: £1,021k deficit).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

Carol Copland

Trustee

Date: 18.09.2024

Lumos Foundation

Registered Company Number: 05611912 (England and Wales)

Consolidated statement of cash flows for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	A	2,379	1,047
Cash flows from investing activities:			
Dividends and interest from investments		72	21
Purchase of tangible fixed assets		(35)	(2)
Proceeds from the disposal of investments		54	960
Purchase of investments		(85)	(69)
Net cash provided by investing activities		6	910
Change in cash and cash equivalents in the year			
		2,385	1,957
Cash and cash equivalents at 1 January 2023	B	2,572	811
Change in cash and cash equivalents due to exchange rate movements		35	(196)
Cash and cash equivalents at 31 December 2023	B	4,992	2,572

Notes to the statement of cash flows for the year to 31 December 2023

A) Reconciliation of net movement in funds to net cash used in operating activities

	2023 £'000	2022 £'000
Net movement in funds (as per the statement of financial activities)	2,764	(57)
Adjustments for:		
Depreciation charge	24	149
Exchange rate (gain)/loss	(35)	196
Losses on investments	5	91
Dividends and interest from investments	(72)	(21)
Deficit on disposal of fixed assets	7	–
Decrease in debtors	445	293
(Decrease)/increase in creditors	(564)	201
(Decrease)/increase in provision for liabilities and charges	(195)	195
Net cash provided by operating activities	2,379	1,047

B) Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	4,961	2,547
Cash held as current asset short-term deposits	9	9
Cash held by investment managers	22	16
Total cash and cash equivalents	4,992	2,572

C) Analysis of changes in net debt

	At 31 December 2022 £'000	Cash flows £'000	Foreign exchange movements £'000	At 31 December 2023 £'000
Cash at bank and in hand	2,423	2,538	–	4,961
Cash equivalents	25	6	–	31
Loans falling due after more than one year	124	(124)	–	–
Total	2,572	2,420	–	4,992

Principal accounting policies

Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The prior year balance sheet has been restated to split out the creditor due in over one year. The accounts are rounded to the nearest thousand and the functional currency is Great British Pounds. The principle accounting policies, which have been applied consistently in the year, are set out below.

Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos name and trademark that allows Lumos's strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide.

The sole member of Friends of Lumos USA Ltd, and thus its parent entity, is Lumos Foundation USA Inc.

Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation. Its sole member and thus its parent company is Lumos Foundation.

Group accounts are therefore prepared consolidating Lumos Foundation USA Inc. and Lumos Foundation Operations Limited.

Accounting estimates and areas of judgement

In the application of the Lumos Foundations accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees and management, the following are the most significant accounting estimates and areas of judgement:

- The judgement that, subject to evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders.
- The judgement that there is no provision required for disallowed expenditure under donor funding agreements.
- Decisions around the recoverability of amounts included in debtors connected to royalties or other debtors.
- Judgements relating to the decision as to when a liability should be recognised in relation to grants payable to a third party
- The value of any accruals included in the financial statements
- The basis for allocating costs between activities as disclosed in the financial statements.

Going concern

At 31 December 2023, Lumos had total funds of £6.3m (2022: £3.5m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets and designated funds) at 31 December 2023 is £2.5m (2022: £2.8m).

Given the level of reserves and the prudent steps taken in 2022 and continued in 2023 to align our operations and resources to our programmatic and financial strategy, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

Royalty income is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

Investment income dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

Investments: listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

Fundraising and publicity costs: expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

Investment management costs are recognised as they are payable to the investment manager.

Charitable activities are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

Support costs are those costs incurred in connection with the management and administration of the charitable company. All support costs have been allocated based on expenditure.

Pension costs contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

Grant liabilities are recognised once the charity has a constructive or legal obligation to make a payment.

Other accounting policies

Tangible and intangible fixed assets: the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	30 to 50 years
Office equipment	5 to 10 years
Fixtures and fittings	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term until the break clause
Motor vehicles	7 years
Software	5 years

Foreign currencies: monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Lease commitments: rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

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

Current asset – short-term deposit: current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

Cash at bank and in hand includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the financial statements

1) Donations and gift aid

	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Donations	2,864	121	2,985	965	1,621	2,586
Gift aid	527	6	533	266	41	307
Gift in kind	183	–	183	72	2	74
Total	3,574	127	3,701	1,303	1,664	2,967

Gift in kind comprises of governance and legal support for the group and the provision of office space for Lumos USA.

2) Grant income

	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Trusts and foundations	79	461	540	102	377	479
Changing the Way We Care	–	–	–	–	3	3
United States Agency for International Development (USAID)	–	–	–	–	678	678
Ukraine Emergency Response – Ukraine and Moldova	1	1,015	1,016	–	807	807
Grants from other governments and public bodies	–	1,326	1,326	–	52	52
Other grants	148	–	148	4	–	4
Total	228	2,802	3,030	106	1,917	2,023

3) Subsidiaries

The activities of Lumos Foundation USA Inc. (557 Broadway, New York NY 10012, USA, IRS Reference number 47-2301085) and its subsidiary Friends of Lumos USA Ltd (3-7 Temple Avenue, London EC4Y 0DA, UK, charity registration number 1170023, UK (England and Wales) company registration number 09502092) are consolidated into the accounts of Lumos Foundation. The net income for Friends of Lumos USA Ltd of £nil is included within the consolidated summary financial performance of Lumos Foundation USA Inc. below:

3) Subsidiaries (continued)

	2023 £'000	2022 £'000
Income	1,429	1,358
Expenditure	(2,683)	(739)
(Deficit)/surplus for the year	(1,254)	619
Opening reserves	3,232	2,316
(Loss)/gain on foreign exchange	(141)	297
Opening reserves after gain on foreign exchange	3,091	2,613
Closing reserves	1,837	3,232
Reconciliation of funds		
Current assets	3,956	3,472
Current liabilities	(2,119)	(240)
Net current assets	1,837	3,232

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £444k (2022: £451k) to cover administration and overhead costs in 2023. Lumos Foundation USA Inc. provided a grant to Lumos Foundation of £2,082k to fund global work to reform care systems for children (2022: £160k for the Ukraine Emergency Response programme).

Lumos Foundation provided donated services of £62k (2022: £25k) to Lumos Foundation USA Inc.

At the year-end an amount of £1,225k (2022: £2,999k) was due to Lumos Foundation USA Inc. Friends of Lumos USA Ltd owed to Lumos Foundation £nil (2022: £18k).

The activities of Lumos Foundation Operations Limited (3-7 Temple Avenue, London EC4Y 0DA, UK, company registration number 12369753) are consolidated into the accounts of Lumos Foundation. Activities started during 2022.

The summary financial performance of Lumos Foundation Operations Limited is below:

	2023 £'000	2022 £'000
Income	63	230
Expenditure	(14)	(23)
Gift Aid to Lumos Foundation	(49)	(207)
Position for the year	-	-
Closing reserves	-	-
Reconciliation of funds		
Current assets	68	131
Current liabilities	(68)	(131)
Net current assets	-	-

3) Subsidiaries (continued)

During the year, Lumos Foundation charged administrative expenses to Lumos Foundation Operations Limited totalling £3k (2022: £12k).

At the year-end an amount of £60k (2022: £121k) was due to Lumos Foundation, £49k is the Gift Aid payable for 2023 (2022: £207k).

4) Raising funds

	2023 Total Funds £'000	2022 Total Funds £'000
Raising funds and donor communication		
Fundraising costs	1,142	1,007
Donor communication costs	73	81
Support costs (note 7)	358	356
	1,573	1,444
Investment management fees	5	5
Total	1,578	1,449

5) Charitable activities

	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2023 Total Funds £'000	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2022 Total Funds £'000
Deinstitutionalisation in Europe	1,003	490	1,493	712	263	975
Deinstitutionalisation In LAC	283	181	464	1,076	523	1,599
Global Deinstitutionalisation	607	296	903	1,925	847	2,772
Advocacy, training and research	353	173	526	427	188	615
Total	2,246	1,140	3,386	4,140	1,821	5,961

6) Grants payable

	Grants to institutions 2023 Total £'000	Grants to institutions 2022 Total £'000
Peace Manifest	–	360
Catholic Relief Services	–	88
International Association of Women Judges	–	88
Save the Children Haiti	–	34
Other	7	1
Total	7	571

As part of the Ukraine Emergency Response programme, Lumos made grants to Peace Manifest to provide food and hygiene packages.

Lumos made grants to Catholic Relief Services and International Association of Women Judges as part of the Building Enduring Systems to end Trafficking project in Haiti, which delivers transformative progress on ending human trafficking, with a focus on child trafficking.

Lumos made grants to Save the Children to support Lumos Haiti's deinstitutionalisation activities in Haiti.

7) Support costs

	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2023 Total Funds £'000	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2022 Total Funds £'000
Admin, Legal and Compliance	70	232	302	35	115	150
Finance	161	494	655	112	489	601
Human Resources	96	314	410	71	436	507
Information Technology	13	42	55	11	69	80
Office Services	18	58	76	127	712	839
Total	358	1,140	1,498	356	1,821	2,177

8) Governance costs

	2023 £'000	2022 £'000
Legal and Professional fees	70	73
Other costs	50	7
Total	120	80

During 2023, Lumos undertook a strategy refresh project for 2024 to 2026, the costs of this project are included in Other costs above.

9) Net income for the year

Net income for the year is stated after charging:

	2023 £'000	2022 £'000
Group Auditor's remuneration		
Audit services – Group	24	22
Audit services – Friends of Lumos USA	3	3
Audit services – Lumos Foundation Operations Limited	5	5
Advisory services	7	-
Payroll and tax services	5	2
Lumos USA Auditor's remuneration		
Audit services – Lumos USA	13	10
Other services	-	1
Depreciation of owned fixed assets	25	149
Operating lease rentals		
Land and building	29	130

10) Staff costs and remuneration of key management personnel

The staff headcount numbers for the period are as follows:

	2023 No.	2022 No.
Management and administrative staff	16	22
Fundraising and donor communication staff	12	10
Programmes staff	26	39
Total	54	71

10) Staff costs and remuneration of key management personnel (continued)

Staff costs relating to the above persons are as follows:

	2023 £'000	2022 £'000
Wages and salaries	2,547	2,909
Social security costs	331	398
Pension costs	126	142
	3,004	3,449
Agency staff	372	304
Total	3,376	3,753

The number of employees whose emoluments during the year exceeded £60,000 were:

	2023 No.	2022 No.
£60,001–£70,000	2	2
£70,001–£80,000	2	–
£80,001– £90,000	1	3
£90,001–£100,000	1	–
£110,001 - £120,000	–	1
£120,001 - £130,000	1	1
Total	7	7

Pension costs totalling £29k (2022: £30k) were paid in respect of the above employees.

The key management personnel of the Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £627k (2022: £578k). Key management personnel include permanent staff as well as agency staff and independent contractors backfilling vacant positions.

During 2022, the Trustees decided to reduce the number of staff as part of an organisational restructure and this is reflected in the 2022 results.

No termination payments were paid during 2023. During 2022, termination payments were paid of £123k.

11) Trustees' expenses and remuneration

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2022: £nil).

Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £5,540 for three Trustees' travel expenses (2022: £89 for two Trustees' travel expenses).

12) Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

13) Tangible and intangible fixed assets of Charity and Group

	Intangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible and Intangible Fixed Assets
	Software £'000	Land and Buildings £'000	Leasehold Improvements £'000	Furniture, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 January 2023	236	125	–	184	25	570
Additions	–	–	–	35	–	35
Disposal	–	–	–	(7)	–	(7)
At 31 December 2023	236	125	–	212	25	598
Depreciation						
At 1 January 2023	221	17	–	159	23	420
Charge for the year	13	3	–	6	2	24
Disposal	–	–	–	–	–	–
At 31 December 2023	234	20	–	165	25	444
Net book value						
At 31 December 2023	2	105	–	47	–	154
At 31 December 2022	15	108	–	25	2	150

Lumos Foundation Land and Buildings' opening position represents one property in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the asset to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding. The grant of the property is planned for 2024.

14) Investments of Charity and Group

	2023 £'000	2022 £'000
Listed investments		
Market value at 1 January	551	1,533
Additions at cost	85	69
Disposals proceeds	(54)	(960)
Net investment losses	(5)	(91)
Market value at 31 December	577	551
Cash held by investment managers for reinvestment	22	16
Total	599	567

Listed investments held at 31 December 2023 were managed on behalf of Lumos by Close Brothers and comprised the following:

	2023 £'000	2022 £'000
UK fixed interest	162	150
UK equity	64	63
Overseas equity	234	212
Commodities	18	17
Property	17	18
Alternatives	66	75
Multi asset	16	16
Market value at 31 December	577	551
Cost of listed investments at 31 December	506	505

15) Debtors

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Other debtors	26	26	111	111
Prepayments	190	175	143	86
Accrued royalty income	616	616	953	953
Trade debtors and other accrued income	170	157	240	136
Amount due from subsidiary undertaking	—	60	—	206
Total	1,002	1,034	1,447	1,492

16) Creditors**a) Amounts falling due within one year**

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Trade creditors	181	177	119	102
Taxation and social security	40	40	36	36
Accruals	76	64	75	50
Amounts due to subsidiary undertakings	—	1,225	—	3,065
Other creditors	107	107	115	115
Deferred income	8	8	507	507
Total	412	1,621	852	3,875

b) Amounts falling due in more than one year

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Loan	—	—	124	—
Total	—	—	124	—

In 2022, the loan balance of £124k fell due after more than five years. It consisted of a COVID-19 Economic Injury Disaster loan taken up by Lumos Foundation USA Inc. The balance was cleared during 2023.

c) Analysis of deferred income

	Group 2023 £'000	Charity 2023 £'000
At 1 January 2023	507	507
Recognised as income in year	(500)	(500)
Deferred in year	1	1
At 31 December 2023	8	8

The 2023 balance relates to income received in Moldova to be recognised in future periods when expenditure arises. The £507k at 31 December 2022 relates to a donation and consists of income received in the year that relates to the following year.

17) Provisions for liabilities and charges

	Group 2023 £'000	Charity 2023 £'000
At 1 January 2023	195	195
Charges in Consolidated Statement of Financial Activities	(195)	(195)
At 31 December 2023	—	—

Provisions include estimated probable future costs in respect of dilapidations. These were paid in 2023.

18) Designated funds

	Group 2023 £'000	Charity 2023 £'000
Balance as at 1 January 2023	—	—
New designations	2,500	2,500
Utilised in the year:		
Strategy refresh	(65)	(65)
Redirecting funding campaign	(28)	(28)
Non-programmatic support of 100% pledge	(800)	(800)
Balance as at 31 December 2023	1,607	1,607

Strategy refresh: work was undertaken during 2023 to refresh the Lumos strategy for the period 2024 to 2026.

Redirecting funding campaign: this is a restricted project that focuses on the funding flows of philanthropy into institutions with the aim to redirect the funding into family strengthening and alternative care services.

Non-programmatic support of 100% pledge: these funds are applied to non-programme costs during 2023.

The balance of £1.6m at 31 December 2023 has been designated by the Trustees to be spent during 2024 on specific (non-programmatic) strategic projects at their discretion.

19) Restricted funds

	At 1 Jan 2023 £'000	Income £'000	Expenditure £'000	At 31 Dec 2023 £'000
Redirecting philanthropic funding	108	50	94	64
Education and child institutionalisation	24	23	47	–
Deinstitutionalisation – Colombia	–	186	171	15
Early childhood intervention – Moldova	80	254	171	163
Ukraine Emergency Response – Ukraine and Moldova	354	2,244	826	1,772
Other	43	183	151	75
Total	609	2,940	1,460	2,089

	At 1 Jan 2022 £'000	Income £'000	Expenditure £'000	At 31 Dec 2022 £'000
Redirecting philanthropic funding	152	57	101	108
Education and child institutionalisation	94	62	132	24
Deinstitutionalisation – Colombia	48	106	154	–
Early childhood intervention – Moldova	–	148	68	80
Ukraine Emergency Response – Ukraine and Moldova	–	2,441	2,087	354
Building Enduring Systems to end Trafficking (BEST) – Haiti	–	678	678	–
Changing the Way We Care	–	3	3	–
Other	66	133	156	43
Total	360	3,628	3,379	609

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

- **Redirecting philanthropic funding**

Lumos is running a campaign, funded by UBS Optimus Foundation, that focuses on the funding flows of philanthropy into institutions with the aim to redirect this funding into family strengthening and alternative care services.

- **Education and institutionalisation**

Lumos has undertaken important research that seeks to better understand and raise awareness of the links between education and child institutionalisation, as part of Lumos's work in tackling the drivers of family separation. This research is funded by UBS Optimus Foundation.

- **Deinstitutionalisation - Colombia**

Lumos's programme in Colombia works to influence and support a critical shift from reliance on residential institutions, to the provision of services which enable children to live safely in families and

19) Restricted funds (continued)

benefit from community-based care. During 2022, the programme received funding from Comic Relief USA, Latin American Children's Trust and a private donor.

- **Early childhood intervention - Moldova**

Working with the Moldovan Government, Lumos is piloting an integrated approach to early childhood intervention (ECI) services in two regions in Moldova. This project seeks to provide vulnerable children and their families with accessible and appropriate care within their communities. This project is co-funded by Aperitivo, the Karl Kahane Foundation, Fondation Dora and Medicor Foundation.

- **Ukraine Emergency Response - Ukraine and Moldova**

Lumos's Ukraine Emergency Response programme was started in March 2022 following the invasion of Ukraine in February 2022. Lumos has responded to this crisis through programmes in Ukraine and Moldova, working with partner organisations and Government to deliver a humanitarian response to those displaced by the war in Ukraine and refugees in Moldova. Lumos's response has focused on needs assessment, emergency aid (food and basic needs), family reunification and support, child protection and psychosocial support for trauma affected children and families, as well as working to influence childcare reform to protect the right of all children to grow up in families for the longer-term. This work is funded by UBS Optimus Foundation, Comic Relief and Comic Relief USA.

- **Building Enduring Systems to end Trafficking (BEST) - Haiti**

Lumos works in Haiti to support the Building Enduring Systems to end Trafficking (BEST) project in Haiti, to deliver transformative progress on ending human trafficking, with a focus on child trafficking. This was funded by a grant from the United States Agency for International Development (USAID). Lumos closed its operations in Haiti in 2022.

- **Changing the Way We Care - Global**

CTWWC is a consortium of Catholic Relief Services, Lumos and Maestral International delivering a programme designed to move the needle on care reform through demonstration projects in three countries alongside global campaigning and advocacy. Lumos's participation in this consortium ended during 2022.

20) Analysis of net assets between funds of Group and Charity

The net assets of the Group analysed between funds are as follows:

	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	2023 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Tangible fixed assets	152	–	–	152	135	–	135
Intangible fixed assets	2	–	–	2	15	–	15
Investments	599	–	–	599	567	–	567
Current assets	2,276	1,607	2,089	5,972	3,394	609	4,003
Current and long term liabilities and provisions	(412)	–	–	(412)	(1,171)	–	(1,171)
Total	2,617	1,607	2,089	6,313	2,940	609	3,549

Included within investments above are cumulative unrealised losses of £5k (2022: losses of £91k).

20) Analysis of net assets between funds of Group and Charity (continued)

The net assets of the Charity analysed between funds are as follows:

	Unrestricted Funds General £'000	Unrestricted Funds Designated £'000	Restricted Funds £'000	2023 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Tangible fixed assets	152	–	–	152	135	–	135
Intangible fixed assets	2	–	–	2	15	–	15
Investments	599	–	–	599	567	–	567
Current assets	3,154	1,607	584	5,345	3,088	584	3,672
Current and long term liabilities and provisions	(1,621)	–	–	(1,621)	(4,070)	–	(4,070)
Total	2,286	1,607	584	4,477	(265)	584	319

21) Related party transactions

Lumos Foundation recognises Lumos Foundation USA Inc. and other members of the Lumos Foundation group as related parties. Transactions and further details are provided in note 3.

There were no other related party transactions during 2023 and 2022.

22) Financial commitments

At 31 December 2023 the charitable company has total minimum lease commitments under non-cancellable leases as follows:

	Property 2023 £'000	Other 2023 £'000	Property 2022 £'000	Other 2022 £'000
Within one year	101	4	4	13
Between one and five years	4	–	–	–
Longer than five years	–	–	–	–
Total	105	4	4	13

23) Comparative consolidated statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000
Income and expenditure			
Income from:			
Royalties	1,856	—	1,856
Donations and Gift Aid	1,303	1,664	2,967
Charitable activities			
Grant income	106	1,917	2,023
Investment income	21	—	21
Income from Trading activities	230	—	230
Other income	5	47	52
Total income	3,521	3,628	7,149
Expenditure on:			
Raising funds:			
Raising funds and donor communication costs	1,444	—	1,444
Investment management costs	5	—	5
Charitable activities	2,582	3,379	5,961
Total expenditure	4,031	3,379	7,410
Net (expenditure)/income	(510)	249	(261)
Other recognised gains/(losses):			
Net loss on investments	(91)	—	(91)
Other recognised gains	295	—	295
Net movement in funds	(306)	249	(57)
Reconciliation of funds:			
Total funds brought forward	3,246	360	3,606
Total funds carried forward	2,940	609	3,549

Reference and administrative details

President of Lumos Foundation (UK) and Patron, Lumos Foundation USA Inc.

J.K. Rowling

Trustees, Lumos Foundation (UK)

C. Copland (Chair of Trustees)

U. Ali

W. DiMichele

N. Gandhi (appointed 28th September 2023)

N. Gill

D. Mulenga

N. Pasricha (Treasurer)

J. Paul

K.Wills (resigned 6th July 2023)

Directors, Lumos Foundation USA Inc.

L. Little (Chair and Treasurer)

Bella Berns (appointed 4th December 2023)

W. DiMichele (resigned 4th December 2023)

P. McDermott

Directors, Lumos Foundation Operations Ltd.

R. Dattani

C. Copland (resigned on 23rd May 2023)

P. McDermott

Trustees, Friends of Lumos USA Ltd. (dissolved 18 June 2024)

Y. Beauchamp (appointed 6th July 2023) (resigned 18th June 2024)

C. Deshpande (resigned on 6th July 2023)

P. McDermott (resigned 18th June 2024)

M. Paasch (appointed 6th July 2023) (resigned 12th March 2024)

Chief Executive Officer, Lumos Foundation (UK)

P. McDermott

Company Secretary, Lumos Foundation (UK)

C. Rossiter (resigned 22nd February 2024)

Registered Office

Lumos Foundation (UK)

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Lumos Foundation USA Inc.

557 Broadway, New York NY 10012, USA

Friends of Lumos USA Ltd (dissolved 18 June 2024)

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Lumos Foundation Operations Ltd.

3-7 Temple Avenue, London EC4Y 0DA, UK

Lumos Foundation -UK Company registration number

05611912 (England & Wales)

Lumos Foundation -UK Charity registration number

1112575

US IRS reference number

47-2301085

Friends of Lumos USA Ltd – UK Company registration number

09502092 (England & Wales)

Friends of Lumos USA Ltd – UK Charity registration number

1170023

Lumos Foundation Operations Ltd- UK Company registration number

12369753 (England & Wales)

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HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ, UK

Solicitors (UK)

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Investment Managers (UK)

Close Brothers, 10 Exchange Square, Primrose Street, London EC2A 2BY, UK

This page forms part of the Trustees' annual report.



THANK YOU

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WITH SPECIAL THANKS TO:

BANK OF AMERICA | HARRY POTTER AND THE CURSED CHILD
KARA MINOGUE LLC | SALANI EDITORE
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For more information, visit our website wearelumos.org



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lumos

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LUMOS FOUNDATION

England & Wales - Charity number 1112575

Accounts



A family for all children

ANNUAL REPORT

2022



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FOREWORD

Welcome to the 2022 Lumos Annual Report.

The world continues to be volatile and uncertain. Heightened conflict, economic crises and the ongoing impact of Covid-19 have had a disproportionate effect on the most vulnerable children. Lumos's mission to protect children from family separation and institutionalisation has never been more important.

The Russian invasion of Ukraine has brought to light for many the harrowing cost of conflict for children and families. While Lumos has been able to reunite many children with their families, others – many with disabilities - remain trapped in institutions or at risk from the conflict as refugees. The indictment of Vladimir Putin on war crime charges specific to children has highlighted the degree to which the international community recognises that children are being forcibly taken from their families in contravention of international law – and indeed that children belong in families.

Lumos, with its longstanding programmes in Ukraine and neighbouring Moldova, rapidly responded to the crisis in Ukraine. We assisted both governments in making emergency assessments of children living in institutions, providing immediate lifesaving supplies, setting up emergency foster care and relocating children living in institutions to safer areas, as well as continuing our ongoing work to influence change at all levels.

Lumos itself has faced challenges to its programmes, operations and fundraising. In February 2022 we put in place a two-year transition plan to streamline and improve the effectiveness of our programmes and organisation. We reviewed our strategies in Colombia, Kenya, Ukraine and Moldova. We centralised our EU liaison and advocacy work in London, closing our Brussels office.

In June 2022 we brought to an end Lumos's two 5-year programmes in Haiti: the joint USAID/Lumos programme on the prevention of trafficking into and out of institutions, and the Lumos deinstitutionalisation project – reuniting children with their families and communities. We are proud of what we have achieved in Haiti, including the permanent closure of 15 orphanages and the reintegration of over 300 children with their families.

As we refocus and consolidate, we have inevitably had to say goodbye to staff around the world and in the UK, some of whom have been with Lumos for many years. We would like to pay tribute to them all for their commitment and hard work. Their legacy will live on through the countless numbers of children's lives they've changed for the better.

In 2022 we also bid farewell to three long-serving and respected Trustees: Danny Cohen, Tanya Motie and Di Moore. All three have provided exceptional support and expertise to Lumos and will be missed. We were delighted to welcome to the Board the expertise of Doreen Mulenga, Kate Wills and Usman Ali.

Finally, a heartfelt thank you to everyone who has contributed to our impact in 2022. In the face of an incredibly challenging year, we're proud of all that we've achieved and we stand ready and more determined than ever to further our mission fighting for every child's right to a safe and loving family.

Carol Copland, Chair of Trustees

KEY STATS



13,925

In early 2022, we rapidly pivoted our work in Ukraine to provide emergency humanitarian assistance to enable vulnerable children and families to stay together. Throughout the year, we provided 13,925 children and 5,971 families with emergency aid.



2,200

In Moldova, we developed tools to enable local authorities to conduct rapid needs assessments for more than 2,200 Ukrainian refugees. Following these assessments, we distributed a total of 2,025 humanitarian aid packages including food, medicine, hygiene supplies, clothing and school items. We also supported 1,302 refugee children to access education, social and health services.



177

In Colombia, as part of our work supporting the Michín Foundation to reunite families, we conducted 177 home visits and provided psycho-social support to 53 children and 76 care-givers.

10,958

10,958 children and 3,582 parents and carers have benefited from psycho-social support delivered in Ukraine. Our 'Training of Trainers' programme saw us train 95 mental health practitioners and 380 community social workers from all 25 regions of Ukraine to provide effective support.

7,451

The war in Ukraine has disrupted the daily lives of children and families. In Ukraine, we delivered education kits to 7,451 children, as well as donating £22,000 worth of specialist equipment to 28 Inclusive Resource Centres, to support the learning of children with special educational needs.

10,549

In the Floreşti district in Moldova, 268 children under 5 years old were reached by early intervention programmes, with 10,549 individual assistance sessions conducted (including occupational, speech and physical therapy sessions).

58

In Kenya, as part of our mission to support the implementation of the National Care Reform Strategy, we provided training to the directors of 58 residential institutions that host over 3,000 children, as well as delivering awareness training on care reform to 30 organisations.

36

Lumos continued to support the deinstitutionalisation of Jordan's care system for children and adults with disabilities, and trained 36 practitioners to assess the needs of such individuals, and to develop individual transition plans so they can move into family or community-based care.



17

We work hard to amplify the voices of young people, supporting their fundamental right to play an active role in care reform. We developed a new manual on this topic in collaboration with Lumos self-advocates and partners, with the online launch being attended by young people and practitioners from 17 countries.

200

As well as having an on-the-ground presence in a number of countries, we also provide training and technical support. Nearly 200 public officials and civil society practitioners from 14 countries completed our online training programme about care reform in the diverse contexts of Latin America and the Caribbean.



OUR VISION

Our vision is a world in which all children grow up in safe and loving families.

OUR MISSION

To fight for every child's right to a family by transforming care systems around the world.

OUR VALUES

Children are at the heart of everything we do. They drive us forward in our vision and underpin every aspect of our work and strategy, helping us bring about the very best outcomes for the children we serve.

At Lumos, we fight for every child's right to a family by preventing family separation, protecting children and promoting the transformation of care systems around the world. We do this without discrimination, upholding the rights of every child. The children we work with are disproportionately likely to experience inequality and exclusion, so it is vital that our work be rooted in anti-discriminatory practice. This means ensuring that no child is deprived of help regardless of age, sex, disability, gender identity or expression, race, religion, sexual orientation, or economic status.

We strive to create an inclusive environment where all our staff feel safe, heard and valued. We respect and value the diverse perspectives of our employees and we ensure the freedom of expression of all individuals. This provides the foundation for delivering on our vision of ensuring that all children have a safe and loving family.

WHAT WE DO FOR CHILDREN

Lumos is fighting for every child's right to a family by transforming care systems around the world. We are an international charity striving for a future where every child is raised in a safe, loving home, supported by family to help them thrive. On average more than **80%** of children in orphanages have a living parent, and research proves that these institutions can harm a child's growth and development. Yet there are still an estimated **5.4 million** children trapped in institutions globally. Lumos sheds light on the root causes of family separation – poverty, conflict and discrimination – and demonstrates that children can safely be united with families. By pressing governments to reform care systems, and by building global expertise and capacity with partners, we ensure no child is forgotten.

Founded by author J.K. Rowling, we are lighting a path to a brighter future where all children can grow up in a safe and loving family. We believe in a family for all children.

CHANGING THE SYSTEM FOR CHILDREN

Thanks to the efforts of Lumos and our partners, the harms of institutionalisation are now more widely understood. Backed by better evidence, there's growing consensus that no child belongs in an institution. Separated from their families and communities, children living in institutions are deprived of the love, attention and opportunities they need to thrive. In diverse countries and contexts, we've worked hard to prove change is possible. With careful planning and management, child protection systems can be transformed to ensure all children enjoy their right to grow up in a safe and loving family. Our strategy builds on our rich heritage to ensure thousands more children and families can benefit from our work and that we achieve an impact greater than the sum of our parts. The children trapped in institutions are deprived of their basic rights, their liberty and the chance to reach their full potential. Every child taken away from their family and consigned to an institution tears the very fabric of a happy and healthy society.

We cannot afford to lose another generation of children to institutions.

INTERNAL CHANGES

2022 was a challenging year for Lumos. The implementation of the recommendations of the 2020 organisational review was delayed by the Covid pandemic. These organisational change recommendations were reviewed and recalibrated in 2022. This review led to several major changes to the organisation: downsizing, the consolidation of the three programme areas into one group, accelerating the closeout of programmes and offices in the Czech Republic, Haiti, Brussels and Bulgaria, an organisation-wide systems and processes review and a simplification of the organisation's governance mechanisms.

Notwithstanding the challenges of the reorganisation, and the loss of long-standing staff members due to the restructuring, much was achieved in 2022.

The simplification of the organisation's governance continued in 2022, to reflect the changed priorities and size of the organisation. Three longstanding Trustees rotated off the Board, and three new Trustees were recruited. The Board committee structure was altered with the formal Programme and Fundraising and Engagement Committees changed to become advisory groups from January 2023. A move towards dashboard reporting is underway with the intent of reducing narrative reports and making Board reporting shorter and sharper, with a stronger emphasis on impact and accountability.

The war in Ukraine required Lumos to rapidly scale up its emergency programmes in response in both Ukraine and Moldova. 2022 saw the development of multi-year strategic frameworks for our country programmes in Moldova, Kenya and Colombia and continued provision of the new model of remote support in Jordan and Panama. Lumos focused on improving the quality, effectiveness and implementation of our programme work and strengthened programme management, monitoring, and reporting. Added emphasis was given to increasing our collaborative work with partners and increasing our global and country level advocacy work.

Staff recruitment, retention and wellbeing remain a challenge given the post-Covid context, global financial situation, work overload and recent downsizing. Lumos's progressive policy on working from home, flexible work arrangements and core mission provide some mitigation. A critical focus was to recruit, retain and nurture a thriving workforce committed and aligned to the organisation's values, principles, and culture.

In addition, given the challenging global financial crisis, Lumos sought to diversify its income streams with a focus on institutional funding. This process is underway; several proposals have been submitted which have seen some initial success.

In conclusion, though much has been achieved in 2022, much remains to be done and there are significant risks ahead. However, 2023 provides an opportunity to stabilise the organisation, consolidate the changes made in 2022 and create an organisation that is smaller, more agile, and more purposeful and effective in its mission to prevent children being separated from their families and reuniting them when they are.

EMBEDDING A SAFEGUARDING CULTURE

Lumos prioritises safeguarding in all activities, helping ensure children, adults at risk and the wider community are protected, wherever we work. During 2022, Lumos continued its work advancing the organisational understanding of safeguarding, embedding safeguarding practice as an essential element of our culture and values, and addressing identified gaps to safely support strategic shifts in direction and delivery. We developed and implemented a safeguarding strategy and framework for our Ukraine Emergency Response, delivered refresher training and targeted workshops for all staff, worked with Designated Safeguarding Leads and the Executive Leadership Team to support and monitor safeguarding awareness and implementation, and developed an Implementing Safeguarding Toolkit for staff and partners. We also conducted targeted work with delivery partners to strengthen safeguarding approaches, ensure timely reporting and escalation, and to improve the quality of identification and response to safeguarding incidents. Our annual update of the Safeguarding Policy and training materials reflected our work in humanitarian settings, including strengthening focus on protection from sexual exploitation and abuse, accountability to communities and reporting and feedback mechanisms.



SUPPORTING CHILDREN AROUND THE WORLD

RESPONDING TO URGENT NEED IN UKRAINE AND MOLDOVA

Within days of the Russian invasion of Ukraine, we launched an urgent fundraising appeal to help us deliver emergency aid to Ukrainian children and families affected by the war, including refugees arriving in Moldova. We were overwhelmed by the generous response from our supporters, from individuals and communities to partners including Comic Relief UK, Comic Relief Red Nose Day and UBS Optimus Foundation. Our supporters have been really inspiring in their fundraising efforts, from creating beautiful artwork, to bake sales and dance-a-thons – it's been fantastic hearing your fundraising stories and seeing your pictures. We are also extremely grateful to our Founder and Life President J.K. Rowling for matching the fundraising of our emergency appeal up to £1 million, making every penny raised go further towards protecting the children and families of Ukraine.

AN INCREDIBLE £2.3M WAS RAISED IN TOTAL, INCLUDING THE MATCH FUNDING

All donations to Lumos are backed by our 100% pledge, which means that every penny from public donations goes towards our vital work supporting children around the world and not to administrative costs.

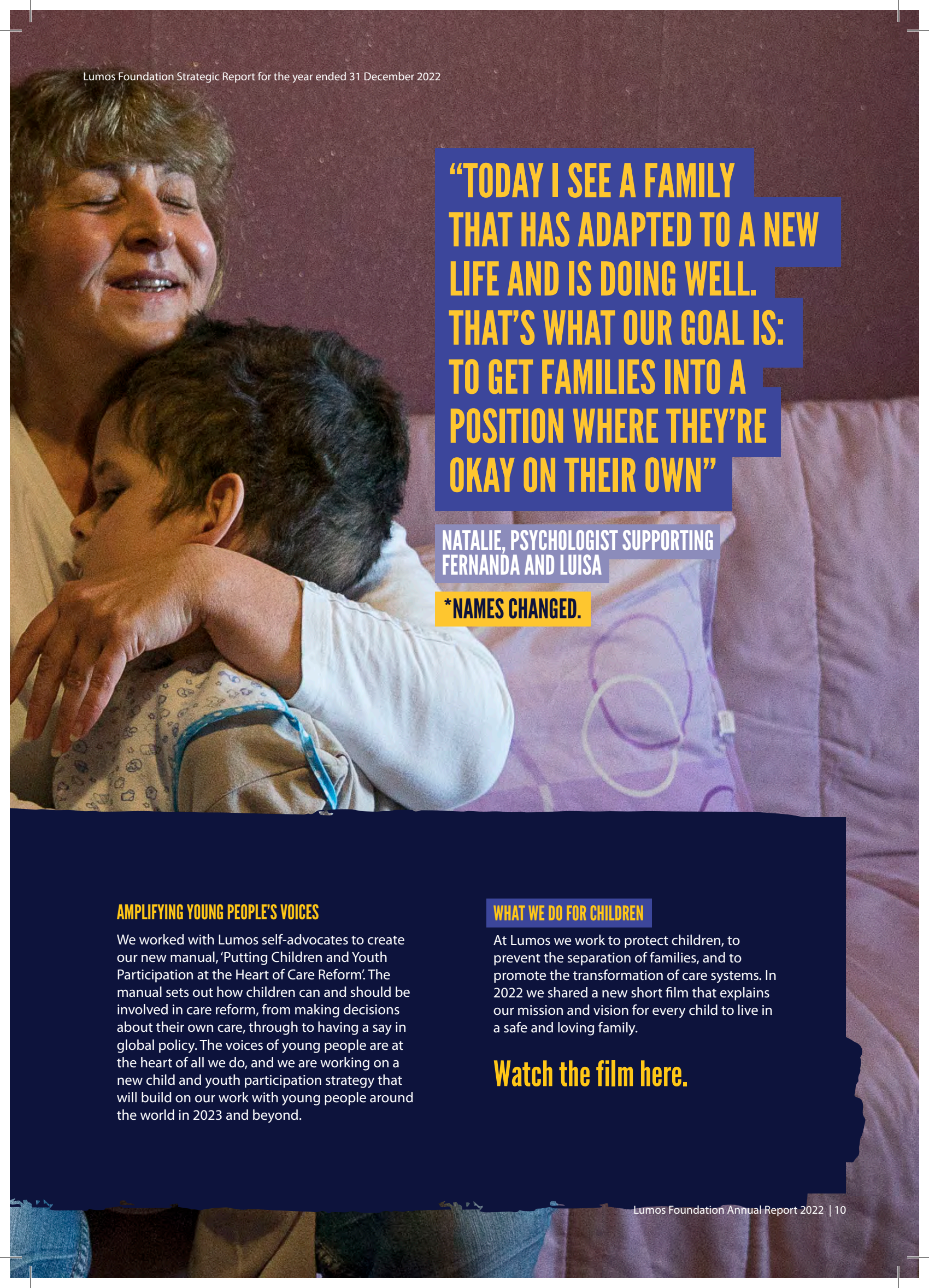
Find out more about our 100% pledge.
<https://www.warelumos.org/get-involved/100-pledge/>

RAISING AWARENESS IN COLOMBIA

We are dedicated to raising awareness of the harms of institutions and the benefits of family and community-based care around the world. In 2022 we partnered with the BBC World Service for an episode of their 'Raising Awareness on Colombia' podcast series called 'Demonstrating and Advocating for Change' which featured our work in Colombia. Sisters Fernanda* (11) and Luisa* (13) shared their story of how Lumos helped to reunite them with their mother and how we're continuing to support them, like so many other families around the world, to thrive together where they belong – at home. We're grateful to Latin America Children's Trust and Comic Relief Red Nose Day who are key funders for our Colombia programme.

DEMONSTRATING AND ADVOCATING FOR CHANGE

Lumos was a key partner in developing the National Care Reform Strategy launched by the Kenyan Government in June 2022, and we will continue to support local and national authorities with its implementation. As well as beginning our pilot programme in Embu County, we have continued high-level national advocacy and contributed to key legislation including the Children's Act 2022. Our programme of advocacy, training and technical support plays a key role in creating lasting, sustainable change to the children's care system in Kenya and beyond. Part of this work was generously supported by the Jaspas Foundation and others.



“TODAY I SEE A FAMILY THAT HAS ADAPTED TO A NEW LIFE AND IS DOING WELL. THAT’S WHAT OUR GOAL IS: TO GET FAMILIES INTO A POSITION WHERE THEY’RE OKAY ON THEIR OWN”

NATALIE, PSYCHOLOGIST SUPPORTING FERNANDA AND LUISA

***NAMES CHANGED.**

AMPLIFYING YOUNG PEOPLE’S VOICES

We worked with Lumos self-advocates to create our new manual, ‘Putting Children and Youth Participation at the Heart of Care Reform’. The manual sets out how children can and should be involved in care reform, from making decisions about their own care, through to having a say in global policy. The voices of young people are at the heart of all we do, and we are working on a new child and youth participation strategy that will build on our work with young people around the world in 2023 and beyond.

WHAT WE DO FOR CHILDREN

At Lumos we work to protect children, to prevent the separation of families, and to promote the transformation of care systems. In 2022 we shared a new short film that explains our mission and vision for every child to live in a safe and loving family.

Watch the film here.

CHILDREN AT THE HEART OF EVERYTHING

“I THINK IT IS EXTREMELY IMPORTANT FOR YOUNG PEOPLE TO LEARN HOW TO BE PART OF THE DECISIONS THAT ARE GOING TO AFFECT US. OFTEN PSYCHOLOGISTS AND SOCIAL WORKERS BELIEVE THEY ARE DOING THE RIGHT THING, BUT MANY TIMES THEY DO NOT ASK THEMSELVES WHETHER WE FEEL COMFORTABLE OR NOT. SO, IT’S IMPORTANT TO INVOLVE US SO THAT WE CAN DIRECTLY INFLUENCE THE PROCESS AND NOT TO SIMPLY INFORM YOUNG PEOPLE WHEN IT IS ALREADY DONE.”

MARIO, YOUTH ADVOCATE, BOLIVIA

Children and young people don’t just have a right to be included in decisions that affect their lives – they are the experts on their own lives, and care reform is more successful with their involvement.

That’s why we put children and young people with lived experience of institutions and care systems at the heart of our work, including them in decision-making and supporting young self-advocates and youth networks to play a central role in our advocacy and campaigns.

PUTTING CHILDREN AND YOUTH PARTICIPATION AT THE HEART OF CARE REFORM

Our new manual, ‘Putting Children and Youth Participation at the Heart of Care Reform’, was published in May 2022, with young people and practitioners from 17 countries attending the online launch. The manual, which was co-produced by Lumos’s international child and youth participation team, partners and Lumos self-advocates and is available in four languages, sets out how children and young people can and should be involved in care reform, from making decisions about their own care, through to having a say in global policy. It aims to challenge practitioners worldwide to give children and young people a leading role in identifying and delivering the changes that they want to see in care policy and practice.

SUPPORTING YOUNG PEOPLE TO LEAD THE WAY

During the year we set up a new Youth Advisory Group with participants from Moldova, Kenya and Colombia, and worked with them to raise awareness of two main areas: redirecting funding away from institutional care into family care and foster care, and tackling institution-related trafficking. We developed our alumni scheme for self-advocates to encourage networking and enable us to continue to draw on their experience and expertise, and worked with former self-advocates to create a bridge between them and young people currently involved in Lumos’s work. During the year, we carried out a comprehensive internal audit of our approach to children and young people’s participation, bringing together staff members and self-advocates to identify strengths, weaknesses and opportunities. Insights and learning from the audit will inform a new Lumos strategy and underpin a strengthened organisational commitment to child and youth participation in 2023 and beyond.

WORKING DIRECTLY WITH YOUNG PEOPLE

We ensure meaningful participation in our country programmes by working directly with young people. In 2022 we worked closely with Ukrainian refugee and host children in Moldova and learned from young care leavers in Kenya about their experiences and views on orphanage trafficking and exploitation, supporting them to produce advocacy posters for their peers around the world. In Colombia we ran workshops on participation skills for children and young people from our partner the Michín Foundation’s family integration programme. Participants shared that they enjoyed connecting with other young people and learning new ways of expressing themselves, with one young participant adding that the activities **“help us strengthen ourselves as people in society”**. We also held a number of meetings with children and young people to discuss their concerns and priorities, and carried out a mapping exercise of child and youth participation groups with a view to strengthening the network of voices advocating for transformation of the childcare system across Colombia.







CASE STUDY

TOGETHER WE ARE STRONGER

“Since Lumos started to work with [Ukrainian] refugees in Moldova,” says Eugenia Godoroja, Child and Youth Participation Advisor, **“Refugee children and young people have been involved in participatory activities both locally and nationally, as well as within Lumos initiatives.”** This included organising events for refugee and host children to encourage social cohesion, such as trips to the National Museum and circus, an International Children’s Day event in June, and a summer school for children aged between 12 and 15 years old.

The summer school was an opportunity for children to get to know each other, learn about using their voices to advocate, get involved in various activities, and make new friends. Former Lumos Youth Advisory Board members acted as trainers and moderators, supported by Lumos staff. **“The Moldovan children could speak no Ukrainian, and the Ukrainian children no Romanian, but they found ways to communicate,”** explains Marcel Straton, Communication and Advocacy Specialist.

The young people participated in various trust and team-building exercises, and were also introduced to ‘mobile journalism’, learning how to become news reporters using smartphones. Split into groups, they were tasked with making a video on any subject they chose. Without consultation, each group chose the same topic: together we are stronger. As one of the participants said during the closing feedback session:

“WE UNDERSTOOD THAT NO MATTER THE LANGUAGE WE SPEAK AND THE COUNTRY WE COME FROM, TOGETHER WE ARE STRONG AND CAN OVERCOME ANY BARRIERS!”



INFLUENCING CARE REFORM

DEINSTITUTIONALISATION IS NOT ONLY ABOUT CLOSING INSTITUTIONS AND MOVING CHILDREN OUT OF THEM, BUT IT IS ALSO ABOUT TRANSFORMATION OF THE CARE SYSTEM: REDUCING ITS DEPENDENCE ON RESIDENTIAL CARE CENTRES AND DESIGNING SERVICES WHICH SUPPORT CHILDREN TO LIVE IN FAMILIES AND IN THE COMMUNITY.

BISSER SPIROV, SENIOR TECHNICAL ADVISOR

Lumos draws on knowledge and experience from our country programmes to influence and support the much-needed reform of care systems around the world. We work with governments and partners to transform care systems, using proven evidence-based approaches, and provide technical support and training for policymakers and practitioners to design and implement reform. Throughout the process, we draw on the opinions and ideas of young people with lived experience of institutionalisation, and support local care reform champions to advocate for change and lead the way to care systems that put children's rights first.



PROVIDING TRAINING FOR POLICYMAKERS AND PRACTITIONERS

In partnership with the Inter-American Children's Institute, we developed an online training programme tailored to the diverse contexts of Latin America and the Caribbean, where more than 350,000 children live in institutional care and thousands more live in boarding schools. The course aims to raise awareness among policymakers and practitioners of the importance of meaningful child and youth participation in care reform and the delivery of support services. Videos and other course materials were developed by youth advocates from the Latin American Care Leavers Network, and Maicol and Tatiana, two young people from the network, also served as presenters, guiding participants through the course and sharing their perspectives on different areas of reform. Nearly 200 public officials and civil society practitioners from 14 countries completed the programme.

TRANSFORMING FOSTER CARE SYSTEMS

Lumos has been working with UNICEF in Panama since 2018 to reform the child protection system and to promote the rights of children in Panama to live in a family. During the last year, we supported the National Secretariat for Children, Adolescents and Family (SENNIAF) to develop and transform the government's approach to foster care. Following a review of Panama's protection system, analysis of foster care models from Colombia, Uruguay and Costa Rica as well as consultations with children, young people and families involved in foster care in Panama, the government has now designed and published a new foster care programme. Representatives of national and regional government bodies, SENNIAF protection officers and NGOs involved in the provision of institutional care received training on technical guidelines alongside analysis of case examples and practical exercises on specific activities involved in the foster care programme. A pilot project particularly focusing on supporting unaccompanied migrant children is now being implemented in the province of Chiriquí to demonstrate how the programme will work in practice, and based on learning from the pilot, the programme will then be rolled out to other provinces.

STRENGTHENING FAMILY AND COMMUNITY-BASED CARE SERVICES

Lumos works in Colombia to strengthen family and community-based care services with the aim of preventing children from being placed in residential institutions, and supporting those already in institutions to move back to living with families. Our approach involves advocacy to promote children's rights and instigate long-term change; collaborating with government and civil society organisations on practical reforms, such as for including a family strengthening programme to reduce the risk of children being separated from families and entering the child protection system; and developing strategies to enable children who have been under protective measures to effectively reintegrate back into their families. In 2022 we worked with the Colombian Family Welfare Institute, other government ministries and regional authorities that offer social services to implement an evidence-based Action Plan for holistic care reform in Colombia. We conducted a needs assessment to understand the gaps in the foster care system and identify opportunities to strengthen it. We undertook a comprehensive strategic review of the childcare and protection system, which included collecting and analysing data on the experiences of 1,580 children in Cundinamarca and Bogotá. A training programme was developed to strengthen the capacities of government professionals and foster care service providers to recruit and support foster families. Training was also delivered to 52 foster mothers and 75 government professionals and private service providers from four regions: Bogotá, Cundinamarca, Antioquia and Tolima. One foster mother reported that the training helped her to put herself in the place of the children and **"to improve my role as a foster mother"**, while one of the officials who attended said that the training should be conducted for all professionals: **"I learned to improve my communication with foster parents and to guide them in developing secure attachments."**

PUTTING PARTNERSHIP INTO PRACTICE

In Colombia, we also continued to work with the Michín Foundation, supporting their transition from institutional care provider to being the operator of a foster care programme. In order to prevent children from entering or re-entering institutional care, we worked with Michín to develop a prevention programme for families at high risk, including providing training and guidance to 215 children and 167 caregivers on topics such as resilience, life skills, emotion management, parenting skills and access to services. To support children's reintegration with their families, 177 home visits were carried out, and psycho-social support was provided to 53 children and 76 family carers. Data collected showed a 51% increase in positive family interactions six months after family reintegration. A reintegration strategy was developed and shared with local government and private operators, and training on family reintegration was delivered to 32 practitioners from Bogotá's Social Integration Secretariat. A new recruitment strategy led to the successful recruitment of 23 new foster families who are being supported to care for 74 children. Sandra, who attended the Michín Foundation's foster care training programme and now provides foster care for three children aged six and under, says: **"For me this is a vocation and I do it from the heart."**



CASE STUDY

THE WARMTH OF A HOME

You can feel the warmth of Viviana's home the minute you see her face. She lives in a house in the west of Bogotá, Colombia with her husband, her three adult children, a number of pets and, more recently, three young children whom she took into her care as a foster mother.

Lumos is supporting the Michín Foundation's Foster Home Programme, where children are placed in temporary foster care so they can experience the care and love of a family environment while arrangements are made for them to be safely reintegrated into their birth family. Viviana learned about the programme through a friend and decided to join. Her children were grown, she spent a lot of time alone, and she missed caring for others.

"BEING ABLE TO HELP A CHILD WHO IS IN A VULNERABLE SITUATION AND WHO NEEDS CARE IS VERY GRATIFYING TO ME," SHE SAYS. "I THOUGHT THAT IF I HAVE THE TIME, THE DISPOSITION AND THE WILL, WHY NOT?"



It has been a steep learning curve. Sofia* (6 months), Carlos* (12 months) and Sebastian* (3 years) all require different types of care and routines. But the days are filled with laughter and games as well as nursery rhymes such as 'La Vaca Lola' and 'El Sapo Pepe' – with a musical accompaniment from the family cats and dog!

For Viviana, the most rewarding part of being a foster mother is knowing that the children will one day return to their own families. She says she is motivated by knowing that her role is temporary while the children's own home is being transformed into a safe place where they will feel loved and protected.

“THERE ARE MANY CHILDREN WHO NEED THE WARMTH OF A HOME,” SAYS VIVIANA. “FAMILY IS THE MOST IMPORTANT THING IN THE WORLD. EVERYONE NEEDS A PARENT, TO KNOW THAT THEY HAVE SOMEWHERE TO GO AND SOMEONE TO TALK TO.”

*** CHILDREN'S NAMES CHANGED.**



INFLUENCING CARE REFORM

Building foundations for change

June 2022 saw Lumos's two five-year programmes in Haiti come to a close: the joint Building Enduring Systems to End Trafficking (BEST) programme with USAID on the prevention of trafficking into and out of institutions, and our deinstitutionalisation project reuniting children with their families and communities. The deteriorating security situation in the country, exacerbated in 2021 by the assassination of the President and a 7.2 magnitude earthquake, significantly impacted our Programme delivery and prevented Lumos from conducting meaningful work aligned with our mission. Following a comprehensive analysis of all options, the Lumos Board of Trustees made the decision in December 2021 to responsibly exit from Haiti in 2022.

The deinstitutionalisation project was concluded by the end of April 2022, with the live caseload of 208 children securely handed over to the Government, while the closure of the BEST project was completed by the end of June. Since we began working in Haiti in 2015, we have supported the Government to carry out assessments of 571 institutions and to document 25,723 children across the country, as well as to develop and implement a five-year strategy tackling trafficking in persons. We've also assisted with the closure of 15 orphanages and placed 331 children in family and community care. We've delivered training on deinstitutionalisation to 215 stakeholders, as well as training 291 stakeholders on issues related to trafficking and victim support. We've also provided direct support to 297 survivors of trafficking and persons at risk of trafficking, as well as supporting the creation of 13 anti-trafficking taskforces or sub-committees across the country. During our time in Haiti we have produced many reports, organised national conferences, participated in international advocacy and influenced US donors to allocate \$6 million to fund the deinstitutionalisation process in the country.

SUPPORTING A NATIONAL CARE REFORM PROCESS

Nearly half of Kenya's population of 47.6 million is made up of children. Approximately 3.6 million children are classified as orphans or vulnerable children, and around 9.5 million children are deprived of more than three basic rights. Kenya is overly reliant on institutional care, with around 45,000 children living in more than 850, mostly privately funded, residential institutions. However, government and civil society share a commitment to reform the care system, and Lumos is supporting the development and implementation of care reform through advocacy, training and technical support. In June 2022, the Kenyan Government launched the National Care Reform Strategy, in which Lumos played a key developmental role and the implementation of which we are supporting. Over the last year, we have reviewed and contributed to national legislation, regulations and policies – including the Children's Act 2022 - Children's Act 2022 - supported the drafting of a National Parenting Manual; provided awareness training on care reform to 30 organisations; and provided training to the directors of 58 residential institutions which currently host over 3,000 children. We are also implementing a pilot care reform project in Embu County, where we have begun an assessment and mapping of services to support the development of county-level action plans so that children can transition safely from institutions into the community. Grace Mwangi, Senior Technical Advisor, said: **"This [pilot project] is important because we will be able to drill down and develop a proof-of-concept to show how care reform can be carried out in a holistic, safe and systematic way."**

REFORMING CARE FOR CHILDREN WITH DISABILITIES

During 2022, Lumos continued to support the deinstitutionalisation of Jordan's care system for children and adults with disabilities, working with our partner NI-CO. The aim is to move people from long-stay care centres into family or community-based care through the provision of community services such as day care, family support, small group homes, alternative family services, and respite care services. Around 580 children and adults currently living in care centres will be moved out of the centres and placed back in their families or in alternative community-based services. In 2022, Lumos provided bespoke training, workshops and consultations, as well as developing tools, delivering technical guidance and mentoring national teams on the deinstitutionalisation process. This included providing technical support to Al Amal and Karak Care Centres and training 36 practitioners to assess the needs of children and young people with disabilities and develop individual transition plans. In addition, 18 'champions' across Jordan were trained to support the transformation of the care system for children with disabilities and their families. As Bisser Spirov, Senior Technical Advisor explains: **"System reform is a long-term process that depends not only on the experience of foreign experts, but also, to a very large extent, on the activity and expertise of local champions and experts."**



PREVENTING FAMILY SEPARATION THROUGH EARLY INTERVENTION

In Moldova, Lumos is demonstrating an innovative model of care with the aim of preventing family separation. The model is designed to identify vulnerable young children and provide targeted support to them and their families to address their health, social and educational needs. In 2022, we created five new ECD/ECI centres, bringing the national total to 11, enabling more than a thousand additional children and their families (including Ukrainian refugees) to benefit from inclusive, early intervention support. In the Florești district, 268 children under 5 years old were reached, with 10,549 individual assistance sessions conducted (including speech and physical therapy sessions), and training was provided to 1,835 parents or carers of children under 5 years old. One parent said: **“We learn from professionals, exchange experiences and opinions with other parents and learn interesting and useful things.”**

Following an assessment of their gaps and needs, we conducted training sessions for 1,321 professionals. In October we organised a national conference, ‘Early Intervention: Evolutions, Challenges and Perspectives’ with participation from health and social sector professionals from across the country. Building on this momentum, we held meetings with representatives from Parliament and other NGOs regarding the development of early intervention services. We supported the Ministry of Health to collect and analyse data on the mapping of ECI/ECD services across the country, using the results for targeted advocacy and the development of a National Plan to increase ECI/ECD services, based on Lumos’s model, in 2023-2027.

Domnica Ginu, Moldova Country Director, says: **“The importance of these activities and results is that they ensure the creation of a regulatory framework for the countrywide development of the integrated system of ECD/ECI services based on the model created by Lumos.”**

CASE STUDY

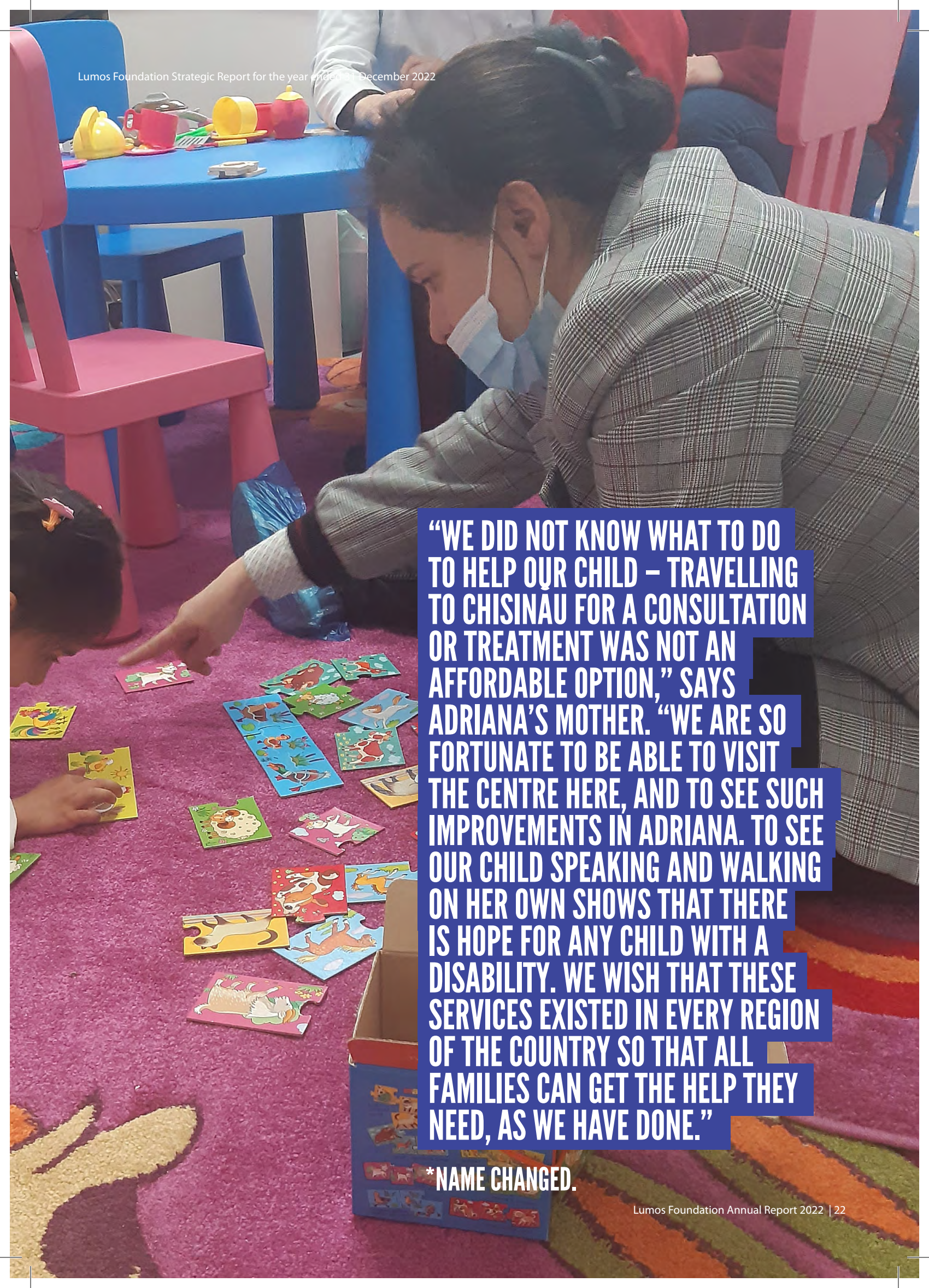
ADRIANA'S STORY

At the age of three-and-a-half, Adriana*, a little girl living in the Florești region of Moldova, could hardly walk. To even conquer just a few steps, she relied on her mother. Adriana was born with cerebral palsy, and in addition to her physical needs, she also has trouble communicating. Without the right support, at this age Adriana's vocabulary matched that of a 16-month-old, and she was unable to pronounce words correctly.

Lumos supported Adriana and her family to seek assistance from the Lumos-supported Early Childhood Intervention Centre in Florești, where after only a few sessions with the speech and physical therapists, Adriana showed great signs of improvement. Specialists from the Centre also supported Adriana's mother, teaching her how to conduct exercises at home.

Today, Adriana is able to walk by herself, and can climb up and down stairs independently. She is even attempting to run! Her speech has also significantly improved; her vocabulary now corresponds to that of a 3-year-old, and she is able to communicate with people outside her immediate family.





“WE DID NOT KNOW WHAT TO DO TO HELP OUR CHILD – TRAVELLING TO CHISINAU FOR A CONSULTATION OR TREATMENT WAS NOT AN AFFORDABLE OPTION,” SAYS ADRIANA’S MOTHER. “WE ARE SO FORTUNATE TO BE ABLE TO VISIT THE CENTRE HERE, AND TO SEE SUCH IMPROVEMENTS IN ADRIANA. TO SEE OUR CHILD SPEAKING AND WALKING ON HER OWN SHOWS THAT THERE IS HOPE FOR ANY CHILD WITH A DISABILITY. WE WISH THAT THESE SERVICES EXISTED IN EVERY REGION OF THE COUNTRY SO THAT ALL FAMILIES CAN GET THE HELP THEY NEED, AS WE HAVE DONE.”

***NAME CHANGED.**

GLOBAL CHALLENGES

“LUMOS HAS BIG AMBITIONS TO TRANSFORM CARE SYSTEMS AROUND THE WORLD. TO MAKE THIS HAPPEN, WE NEED TO KEEP OUR EYES ON THE BIGGER PICTURE: THAT INCLUDES BUILDING OUR KNOWLEDGE OF OTHER ISSUES WHICH RELATE TO INSTITUTIONALISATION, AS WELL AS WORKING WITH NEW AND DIFFERENT STAKEHOLDERS – SUCH AS PHILANTHROPISTS – TO MAKE REAL CHANGE FOR CHILDREN.”

LUCY HALTON, ADVOCACY AND CAMPAIGNS MANAGER

Through our research, advocacy and campaigning, we aim to build evidence on the global drivers of institutional care – and promote the changes needed in policies, practices and priorities so that every child can grow up with the love and support of a family.

GLOBAL THEMATIC REVIEW ON EDUCATION AND INSTITUTIONALISATION

Lack of access to education in the community is one of the main drivers of the institutionalisation of children around the world. Following the publication of our report on institution-related trafficking, 'Cycles of Exploitation', at the end of 2021, this Global Thematic Review seeks to build global evidence on the links between institutional care and education, in order to contribute to much-needed policy and practice change in the education and care sectors. In 2022, we conducted three focus groups with 27 participants and completed four case studies (from Moldova, Colombia, the European Union, and, supported by partner organisation Perkins International, Indonesia) to gather concrete and authentic examples of the real-life implications of current education and institutional care policies and practices. A Working Paper, providing an overview of the research covering 30 countries was presented at a launch event in February 2023, with a further pack of information and tools to come later in 2023. We will be holding roundtables with government representatives and education NGOs, as well as holding an event in Moldova. By engaging with a range of relevant actors, including our peers in the care reform sector along with new partners in the global education sectors, and supporting them to consider the ways that this issue relates to their own work, we hope to ensure the longevity of this piece of work and prevent the project from being simply a report that sits on a shelf unused.





Redirecting Funding campaign

One of the biggest challenges hindering care reform is the funding that flows into institutions and from all over the world – much of it private funding (including philanthropic spending). This campaign aims to see existing funding, as well as new funding, redirected towards family and community-based services, in order to keep families together and instigate global care reform. To help guide the campaign, Lumos established a Youth Advisory Board with representatives from Colombia, Kenya and Moldova. As Lucy Halton, Advocacy and Campaign Manager, says: **“The participation of young people with lived experience of institutional care is at the heart of this campaign.”** In November 2022, a microsite was launched at a collaborative session with a small group of philanthropists, to seek their input and better understand their experiences. The campaign aims to take high net-worth individuals on a ‘learning journey’ by questioning the view that orphanages and similar institutions are a social good, raising awareness about the harms of institutionalisation, and supporting them to make a public pledge not to fund institutions and to safely and sustainably support family and community-based alternatives. In 2023, the campaign will begin targeted engagement with stakeholders from the wider funding environment to empower them to better facilitate care reform.



UKRAINE EMERGENCY RESPONSE

“THE WAR HAS SUDDENLY BROUGHT AN INCREDIBLY TRAUMATIC EXPERIENCE TO ALL OF US, BUT ONE THAT IS ESPECIALLY TRAUMATIC FOR CHILDREN.”

IRINA, PARTICIPANT IN THE LUMOS ‘TRAINING OF TRAINERS’ PROGRAMME

The war in Ukraine has had a catastrophic impact on Ukraine’s people – and especially on children. It is estimated that more than half of Ukraine’s children have been displaced by the ongoing hostilities, and education, health and child protection services have been severely disrupted. During 2022, as well as providing humanitarian aid to children and families, we worked with partners to ensure protection and support for some of the most vulnerable children in the Zhytomyr and Odesa regions of Ukraine, and provided practical and psycho-social support to Ukrainian refugees in Moldova.

Providing humanitarian aid

Before the war, Ukraine had one of the highest proportions of children in institutions in Europe, with an ingrained institutional system often viewed as the only solution for children with disabilities and other vulnerabilities. Lumos has been working in Ukraine since 2013 to change this. Following the invasion by Russia in February 2022, Lumos quickly adapted our programme to provide emergency support to children and families in Zhytomyr, and thanks to our new partnership with local NGO Peace Manifest, we later extended our aid programme to Odesa, providing food, hygiene, medical items, education kits, and trauma support. In 2022, we supported 13,925 children (939 with disabilities) and 5,971 families with food and non-food goods. 7,451 children received education kits, and 531 children were supported by educational materials designed to help them – particularly those with special needs – to deal with the emotional impact of the conflict. In addition, we donated educational equipment designed for multisensory learning to 28 Inclusive Resource Centres to support children with additional needs.

Working to protect vulnerable children

During 2022, we worked with partners to ensure vulnerable children (especially children with disabilities, those trapped in institutions, and those who were evacuated rapidly from institutions without proper assessment) do not become the invisible victims of this crisis. We created a coalition of local children’s NGOs to strengthen the capacity of civil society to participate in humanitarian actions while continuing to contribute to the care reform process, for example by raising awareness and building international support for child welfare and protection at all levels, including at a UK Parliamentary Briefing we organised in collaboration with the International Bar Association’s Human Rights Institute. We maintained partnerships with and provided technical support to government bodies and participated in working groups and networks including the National Child Protection Coordination Committee, contributing to several strategic papers and developing practical guidance on child protection. Despite the disruption caused by the war, we continued our work to transform the residential care system in Zhytomyr to prevent the re-institutionalisation of children who had been returned to their families at the onset of the conflict. An assessment of the situation of 1,300 children found that more than a third of families would not be returning their children to an institution, and one baby home was closed altogether.

Meeting children’s mental health needs

The crisis has generated unimaginable traumas (loss of parents, relatives and friends; loss of homes and schools) that children on their own are not able to cope with. At the request of the Ministry of Education and Science, we developed a mental health ‘Training of Trainers’ programme and during 2022 trained 95 practitioners (from all 25 regions) to train others in providing effective psycho-social support. Inna, a participant in the training, said: **“I’ve acquired priceless knowledge and practice for my work with children and parents. I will train hundreds of specialists in my region so that they will be able to help thousands of children who need urgent psycho-social support.”** A total of 380 community social workers were trained to provide psycho-social support and case management; benefiting 10,958 children and 3,582 parents and after carers. Additionally, 160 foster carers were trained on psycho-social support and communication with children during the crisis. Galina Bulat, Lumos Ukraine Country Director, said: **“The psycho-social support is vital for children’s wellbeing and safety. It is essential for caregivers too – they must be healthy to provide appropriate care to their children.”**

CASE STUDY

EDUCATION NEEDS SAFETY

Sofiya* (17) likes playing sports and reading.

“MY YOUNGER SISTERS ARE MORE CREATIVE,” SHE SAYS. “THEY LIKE TO DRAW, TO SING, AND THEY ALSO LIKE KNITTING AND EMBROIDERY. THE BOYS PLAY FOOTBALL – AND MY YOUNGEST BROTHER LIKES LEGO, PLAYING WITH CARS, AND READING ABOUT DINOSAURS.”


Sofiya is the oldest of five children, and lives with her family in Ukraine in the same home they lived in before the war began. **“We didn’t want to move,”** her mother Vira*, who works in the local hospital, explains.

Before the war, things were calmer. **“Children could play in peace, could go camping, visit friends and relatives, but now... for me as a mother, it is very difficult to let them go to school. When rockets fly, we don’t know where they will fall. I’m afraid.”**

For Sofiya, her education is crucial. She is interested in virology and genetic engineering. **“I would like to study at the University and learn Biology,”** she says. **“I could work in a school. If I get a PhD I can teach at the University; I could even work in a laboratory. But I don’t know my future.”**

Many of Sofiya’s friends left Ukraine when the war started. Some have since returned, but many have stayed abroad – one has gone as far as Australia.





The war has seen prices greatly increase, and the family is struggling. Vira earns a low salary, and her husband, who lost his job when the war began, is still out of work. Lumos has been supporting the family by providing the educational resources Sofiya and her siblings need to continue their learning, as well as vital supplies including food and hygiene items. When we visit the family to deliver these packages, we also give them information about additional help that's available, including psychological support.

“WE ARE VERY GRATEFUL TO LUMOS FOR THE CONSTANT SUPPORT, IT HELPS US VERY MUCH,” VIRA SAYS. “BECAUSE OF LUMOS’S SUPPORT, WE CAN SURVIVE.”

*** NAMES CHANGED.**



UKRAINE EMERGENCY RESPONSE

Supporting self-advocates

Prior to the war, Lumos worked with a network of self-advocates in Ukraine - young people who draw on their lived experience of the care system to advocate for children's rights and care reform. Throughout 2022, we continued to provide regular support to our Ukrainian self-advocates, including financial support for food, evacuation and accommodation as well as psycho-social support. We also supported self-advocates to develop and disseminate advocacy materials (including leaflets, video messages and social media posts) reflecting their attitude to the crisis. Due to the challenges presented by the ongoing conflict, we have had to pause our participatory work with these young people for now, but hope to resume when circumstances allow.

Supporting refugee children and families in Moldova

When the war began in February 2022, Lumos immediately began supporting authorities in the Ialoveni and Florești districts to respond to the needs of refugee children and families entering Moldova. The large flow of refugees has increased the number of children at risk in the country, and we have been extending ECD/EI services to this population. We developed tools to enable local authorities to conduct rapid needs assessments for more than 2,200 Ukrainian refugees. These assessments formed the basis of provision of humanitarian aid and referrals to community services. We distributed a total of 2,025 humanitarian aid packages (to 497 families with 965 children) including food, medicine, hygiene supplies, clothing and school items. We supported 1,302 refugee children to access education, social and health services, including supporting the enrolment of 178 children in local schools, referring 36 refugee children with special educational needs to support services, providing psycho-social support to 277 children and 91 parents, and setting up Romanian language classes for children and families. We also ran 69 training sessions for child protection, education and health professionals on topics including protection of children against any form of violence, protection of the rights of unaccompanied refugee children, and the educational inclusion of refugee children.





CASE STUDY

A NEW LIFE FOR UKRAINIAN REFUGEES



Elena*, who was heavily pregnant, was initially reluctant to leave her home in Ukraine. When it became clear that her home city of Odesa was going to be attacked, she and her husband Vasili* made the difficult decision that she would flee to Moldova with their four daughters. Vasili* stayed behind to look after an elderly family member.

Shortly after arriving in Moldova, Elena gave birth to a little boy, Bogdan*. The family initially stayed in a placement centre with around 40 other refugees. The children were able to make some friends, but they missed their home terribly.

“We miss our house, our dad, our cats, our dogs, our friends,” said Roxolana* (15), the eldest child. **“We’re glad we managed to flee before the bombing of Odesa started. We’ve met children who are not that lucky – whenever they hear any loud sound now, they run away looking for a safe place to hide.”**

The family fled Ukraine with just the clothes on their backs. Along with food, hygiene items and other emergency aid, Lumos has provided the family with clothes for different seasons, as well as a pram for little Bogdan.

The family stayed in Moldova, supported by Lumos, for three months, before Vasili* was able to be reunited with his family – and meet his son for the first time. The family have now relocated to another European country, where Vasili* has found work and the children are going to school once again.

The family is safe, but they think of home every day. “No matter how good it is, I really want to go back to my hometown,” Elena says. “I’m eagerly anticipating the end of the war so we can return home. Even if our house is destroyed and we have to rebuild it - I dream of being at home and living in peace.”

“WE’D LIKE TO THANK ALL THOSE WHO HAVE HELPED AND WHO CARE ABOUT US, AND SPECIFICALLY LUMOS FOR ALL THEIR SUPPORT. MYSELF AND MY CHILDREN ARE VERY GRATEFUL, AND AS SOON AS THE WAR ENDS AND PEACE IS RESTORED, WE LOOK FORWARD TO YOU VISITING US IN UKRAINE.”

***NAMES CHANGED.**

PRINCIPAL RISKS

Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission Guidance. This register is reviewed and updated every six months by the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is a dedicated risk session with the Board once a year. Additional risk sessions are included in Board meetings where appropriate.

Lumos Corporate Risk Register (CRR) includes risks across five categories: strategic and reputational, operational, compliance, financial and governance.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

In 2022, Lumos continued to update risk management arrangements and strengthen internal processes. Lumos continues to build upon good practice in the areas of security and safeguarding. Particular attention has been paid to the additional risks associated with the operations in Ukraine and Moldova given the evident security considerations. Lumos will take further steps to review and update its internal risk management policy to better reflect the inherent risks associated with working in areas of conflict and civil unrest.

The charity has identified the following key risk and uncertainties:

1) Poor fundraising performance and a lack of income diversity

Mitigations: New team structure and capacity to diversify income streams and provide effective line management and support to retain staff. Strengthening of processes to manage restricted funds in line with strategic priorities. Greater scrutiny of and support to fundraising plans and performance by the finance team, executive leaders and the Board of Trustees. Income diversification to include institutional, corporate and major donors. Effective monitoring across all income streams, i.e. monthly reporting against KPIs and variance against budget forecast.

2) Recruitment, retention and managing reduced staff capacity

Mitigations: Employing additional human resources into core functions. Deprioritising non-essential or non-generative activities which sit outside of the core strategic objectives. Development of new policies, systems and procedures, including a new EDI statement.

3) Reputational risks and negative media interest in the charity

Mitigations: stakeholder management and communications. Partner, founder and contractor due diligence with associated compliance, monitoring and reporting processes, crisis response protocols. Increase Lumos's profile as an independent charity/NGO and report on impact and development.

4) Safety and security risks of personnel operating in high risk countries

Mitigations: Regular ongoing security assessments enable rapid analysis of changing circumstances and adaptation of programming, including cessation of activities when appropriate. Regular disbursement of smaller amounts of funds to partners to tighten financial controls. Security Contingency plans regularly updated.

5) Safeguarding risks: the risk of harm to children and adults

Mitigations: Additional capacity provided to safeguarding team and improvements made to safeguarding due diligence guidance and protocols. Review and implementation of the global safeguarding policy and related reporting protocols with associated programme staff and refresher training. Strengthening of integration of safeguarding into programme design and reporting.

FINANCIAL REVIEW

Lumos financial results summary	2022	2021
	£'000	£'000
Total income	7,149	4,944
– Funds from individual giving	2,967	1,178
– Grant income	2,023	1,695
– Income from royalties	1,856	1,820
– Income from trading activities	230	172
– Investment and other income	73	79
Total expenditure	7,410	8,182
– Charitable activities	5,961	6,735
– Cost of raising funds	1,449	1,576
– Release of lease incentive accrual	-	(129)
Other gains	204	113
Net Funds movement	(57)	(3,125)
Reserves carried forward	3,549	3,606
– Unrestricted	2,940	3,246
– Restricted	609	360

A summary of the year's results can be found on page 47 of the attached accounts.

During 2022, Lumos implemented the restructuring of its operation and reduction in headcount as part of the change programme agreed in 2020. The aim was to maintain a sustainable platform for future operations and overall strategy being pursued, and phased implementation in line with resources.

Outside the strategy scope, the war in Ukraine led Lumos to drive an appeal in early February 2022 to provide humanitarian aid and focus resources and activities to support children in Ukraine.

In addition, Lumos successfully delivered the BEST Programme and closed the Haiti offices.

Investment policy and performance

Lumos's funds available for investment are managed by Close Brothers Asset Management (CBAM), who have been carefully selected by the Board and mandated to manage such funds to protect the value of the funds as they are drawn down to fund the planned growth. This is done through investment in a diversified portfolio of equities, bonds and alternative assets. CBAM's positioning and performance are formally reviewed by the Board's Finance & Risk Committee quarterly. The funds held by CBAM are managed in accordance with the charity's Investment Mandate, which is set by the Trustees.

At year end, funds managed by CBAM on behalf of Lumos amounted to £567k. With inflationary pressures exacerbated by Russia's invasion of Ukraine, global Central Bankers embarked on one of the most aggressive interest hiking cycles on record. This significant structural shift was felt acutely across all asset classes: investors in "low risk" government bonds experienced the worst peak to trough drawdown in UK government bond prices and equity markets suffered a material derating to reflect the higher interest rates. The portfolio's focus on shorter duration bonds helped to cushion the decline as did the underweight position in high growth equity sectors. The portfolio benefitted from exposure to the renewable energy sector (wind and solar) and to gold, with Healthcare shares (including AstraZeneca and Bristol Myers Squibb) also providing positive contributions.

Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2022, there were no fundraising complaints.

Our income is affected by external factors such as the ongoing war in Ukraine, fluctuations in the economy, royalty payments donated by our Founder, changing donor priorities and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

Reserves policy and going concern

The Trustees balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The charity holds sufficient unrestricted funds for the following purposes:

To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth. In addition to fundraising risk, there are also risks of stock market variations, which may negatively impact the value of the investment portfolio and future levels of return.

To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

To support working capital funding requirements

In a number of Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of income in the second half of the year which has an impact on the cash flows of the charity.

To help to protect Lumos work beyond the current year

In the event of a sustained downturn in income, Lumos would require a period of time to make adjustments to programmes in order to minimise any related impacts to children. This includes the established country demonstration programmes in Europe, Latin America and the Caribbean programmes in Haiti and Colombia, and technical support that is provided to a number of countries around the world, where Lumos does not have a physical presence.

Finally, Lumos retains funds to maintain its 100% pledge to the public, so that no portion of their donation is used to fund overhead costs.

Restricted funds £0.6m (2021: £0.4m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Unrestricted funds £2.9m (2021: £3.2m)

Unrestricted funds includes tangible and intangible fixed assets of £0.1m (2021: £0.3m) and readily realisable free reserves of £2.8m (2021: £2.9m).

Our target base level of free reserves is equivalent to approximately 3 to 6 months operating expenses, which is £1.4m to £2.8m.

Conclusion

Given the level of reserves and the prudent steps taken in 2021 and Spring 2022 to align our operations and resources to our programmatic and financial strategy, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in December 2021. Lumos's objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.
- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: all children grow up in safe and loving families; (ii) mission: to fight for every child's right to a family, by transforming care systems around the world.

Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. Friends of Lumos USA Ltd is a dual qualified charity that permits individuals to obtain tax relief in the United States and also in the United Kingdom, thus enabling U.S. citizens and green card holders resident in the United Kingdom to support Lumos's objectives in a tax-efficient manner.

The Lumos Foundation USA Inc. statement of financial activities results for 2022 are a surplus of £739k. During the year, Friends of Lumos USA Ltd was effectively dormant and remains under review.

Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 71.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. Lumos currently has eight Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2022, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

A system of Trustee appraisal operates via the People Committee. A periodic Board skills audit is carried out to determine the range of skills and experience which would be required to fill existing gaps. The last such audit was in Q4 2020.

Organisation

The Chief Executive Officer and Executive Leadership Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos's work and regularly reporting progress to the Board.

Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

Grant-making policy

Whilst Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos's standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos's procedures.

Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. The Trustees have appointed investment managers, Close Brothers, to manage Lumos's investment funds. Investment performance is managed by the Finance and Risk Committee.

Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts, notes 11 and 20 respectively.

Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Fraud

In early 2022, Lumos was the victim of phishing fraud relating to prior year income which had been accrued for. Lumos has insurance in place to cover for such events and received compensation in June 2022.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.

DocuSigned by:

20D348B4E335454
Carol Copland
Chair of Trustees
Lumos Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMOS FOUNDATION

Opinion

We have audited the financial statements of Lumos Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2022 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 United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 41, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees, communication with component auditors and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

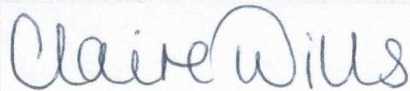
As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery Champness

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 04 September 2023

Saffery Champness is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	2022 Total Funds	2021 Total Funds
		£'000	£'000	£'000	£'000
Income from:					
Royalties		1,856	—	1,856	1,820
Donations and Gift Aid	1	1,303	1,664	2,967	1,178
Charitable activities					
Grant income	2,18	106	1,917	2,023	1,695
Investment income		21	—	21	35
Income from Trading activities		230	—	230	172
Other income		5	47	52	44
Total income		3,521	3,628	7,149	4,944
Expenditure on:					
Raising funds:	4				
Raising funds and donor communication costs		1,444	—	1,444	1,562
Investment management costs		5	—	5	14
Release of lease incentive		—	—	—	(129)
Charitable activities	5	2,582	3,379	5,961	6,735
Total expenditure		4,031	3,379	7,410	8,182
Net (expenditure)/income		(510)	249	(261)	(3,238)
Other recognised (losses)/gains:					
Net (loss)/gain on investments	14	(91)	—	(91)	91
Exchange rate gains		295	—	295	22
Net movement in funds		(306)	249	(57)	(3,125)
Reconciliation of funds:					
Total funds brought forward		3,246	360	3,606	6,731
Total funds carried forward	19	2,940	609	3,549	3,606

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

Consolidated balance sheets as at 31 December 2022

	Notes	Group 2022 £'000	Charity 2022 £'000	Restated Group 2021 £'000	Charity 2021 £'000
Fixed assets:					
Tangible assets	13	135	135	235	235
Intangible assets	13	15	15	62	62
Investments	14	567	567	1,645	1,645
		717	717	1,942	1,942
Current assets and liabilities:					
Debtors	15	1,447	1,492	1,740	1,580
Short-term deposit		9	—	9	—
Cash at bank and in hand		2,547	2,180	690	516
		4,003	3,672	2,439	2,096
Creditors:					
Amounts falling due within one year	16 a)	(852)	(3,875)	(664)	(2,702)
Net current assets		3,151	(203)	1,775	(606)
Total assets less current liabilities		3,868	514	3,717	1,336
Amounts falling due in more than one year	16 b)	(124)	—	(111)	—
Provisions for liabilities and charges	17	(195)	(195)	—	—
Net assets		3,549	319	3,606	1,336
Funds:					
Restricted funds	18	609	584	360	345
Unrestricted funds	19	2,940	(265)	3,246	991
Total funds		3,549	319	3,606	1,336

As permitted by section 408 of the Companies Act 2006, a Statement of Financial Activities for the charity has not been presented.

The Lumos Foundation charity statement of financial activities results for 2022: £1,021k deficit (2021: £3,768k deficit).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

DocuSigned by:

 20D348B4E335454...
 Carol Copland
 Trustee
 Date: 06 July 23

DocuSigned by:

 EE4F9DCBFF1841C...
 Nitin Pasricha
 Trustee

Consolidated statement of cash flows for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	A	1,047	(1,853)
Cash flows from investing activities:			
Dividends and interest from investments		21	35
Purchase of tangible fixed assets		(2)	(25)
Proceeds from the disposal of investments		960	101
Purchase of investments		(69)	(103)
Net cash provided by investing activities		910	8
Change in cash and cash equivalents in the year		1,957	(1,845)
Cash and cash equivalents at 1 January 2022	B	811	2,747
Change in cash and cash equivalents due to exchange rate movements		(196)	(91)
Cash and cash equivalents at 31 December 2022	B	2,572	811

Notes to the statement of cash flows for the year to 31 December 2022

A) Reconciliation of net movement in funds to net cash used in operating activities

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	(57)	(3,125)
Adjustments for:		
Depreciation charge	149	209
Exchange rate loss	196	91
Losses/(gains) on investments	91	(91)
Dividends and interest from investments	(21)	(35)
Grant of fixed assets	-	660
Decrease in debtors	293	949
Increase/(decrease) in creditors	201	(511)
Increase in provision for liabilities and charges	195	-
Net cash provided by/(used in) operating activities	1,047	(1,853)

B) Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	2,547	690
Cash held as current asset short-term deposits	9	9
Cash held by investment managers	16	112
Total cash and cash equivalents	2,572	811

C) Analysis of changes in net debt

	At 31 December 2021 £'000	Cash flows £'000	Foreign exchange movements £'000	At 31 December 2022 £'000
Cash at bank and in hand	579	1,844	-	2,423
Cash equivalents	121	(97)	1	25
Loans falling due after more than one year	111	-	13	124
Total	811	1,747	14	2,572

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The prior year balance sheet has been restated to split out the creditor due in over one year. The accounts are rounded to the nearest thousand and the functional currency is Great British Pounds. The principle accounting policies, which have been applied consistently in the year, are set out below.

Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos name and trademark that allows Lumos's strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide.

The sole member of Friends of Lumos USA Ltd, and thus its parent entity, is Lumos Foundation USA Inc.

Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation. Its sole member and thus its parent company is Lumos Foundation.

Group accounts are therefore prepared consolidating Lumos Foundation USA Inc. and Lumos Foundation Operations Limited.

Accounting estimates and areas of judgement

In the application of the Lumos Foundations accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees and management, the following are the most significant accounting estimates and areas of judgement:

- The judgement that, subject to evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders.
- The judgement that there is no provision required for disallowed expenditure under donor funding agreements.
- Decisions around the recoverability of amounts included in debtors connected to royalties or other debtors.
- Judgements relating to the decision as to when a liability should be recognised in relation to grants payable to a third party
- The value of any accruals included in the financial statements
- The basis for allocating costs between activities as disclosed in the financial statements.

Going concern

At 31 December 2022, Lumos had total funds of £3.5m (2021: £3.6m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2022 is £2.8m (2021: £2.9m).

Given the level of reserves and the prudent steps taken in 2021 and Spring 2022 to align our operations and resources to our programmatic and financial strategy, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

Royalty income is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

Investment income dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

Investments: listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

Fundraising and publicity costs: expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

Investment management costs are recognised as they are payable to the investment manager.

Charitable activities are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

Support costs are those costs incurred in connection with the management and administration of the charitable company. In 2021, costs were allocated on the following bases: administration, legal and compliance, human resources, information systems and office services costs were allocated based on head count; finance costs were allocated based on expenditure. From 2022, all support costs have been allocated based on expenditure. The prior year comparatives have not been restated.

Pension costs contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

Grant liabilities are recognised once the charity has a constructive or legal obligation to make a payment.

Other accounting policies

Tangible and intangible fixed assets: the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	30 to 50 years
Office equipment	5 to 10 years
Fixtures and fittings	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term until the break clause
Motor vehicles	7 years
Software	5 years

Foreign currencies: monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Lease commitments: rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

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

Current asset – short-term deposit: current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

Cash at bank and in hand includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the financial statements

1) Donations and gift aid

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000
Donations	965	1,621	2,586	884	–	884
Gift aid	266	41	307	4	–	4
Gift in kind	72	2	74	290	–	290
Total	1,303	1,664	2,967	1,178	–	1,178

Gift in kind comprises of governance and legal support for the group and the provision of office space for Lumos USA.

2) Grant income

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000
Trusts and foundations	102	377	479	34	562	596
Changing the Way We Care	–	3	3	–	74	74
United States Agency for International Development (USAID)	–	678	678	–	999	999
Ukraine Emergency Response – Ukraine and Moldova	–	807	807	–	–	–
Grants from other governments and public bodies	–	52	52	9	–	9
Other grants	4	–	4	–	17	17
Total	106	1,917	2,023	43	1,652	1,695

3) Subsidiaries

The activities of Lumos Foundation USA Inc. (557 Broadway, New York NY 10012, USA, IRS Reference number 47-2301085) and its subsidiary Friends of Lumos USA Ltd (3rd floor, 86-90 Paul Street, London EC2A 4NE, UK, charity registration number 1170023, UK (England and Wales) company registration number 09502092) are consolidated into the accounts of Lumos Foundation. The net income for Friends of Lumos USA Ltd of £175 is included within the consolidated summary financial performance of Lumos Foundation USA Inc. below:

3) Subsidiaries (continued)

	2022 £'000	2021 £'000
Income	1,358	1,553
Expenditure	(739)	(851)
Surplus for the year	619	702
Opening reserves	2,316	1,589
Gain on foreign exchange	297	25
Opening reserves after gain on foreign exchange	2,613	1,614
Closing reserves	3,232	2,316
Reconciliation of funds		
Current assets	3,472	2,571
Current liabilities	(240)	(255)
Net current assets	3,232	2,316

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £451k (2021: £640k) to cover administration and overhead costs in 2022. Lumos Foundation USA Inc. provided a grant to Lumos Foundation of £160k for the Ukraine Emergency Response programme (2021: nil).

Lumos Foundation provided donated services of £25k (2021: £19k) to Lumos Foundation USA Inc.

At the year-end an amount of £2,999k (2021: £2,218k) was due to Lumos Foundation USA Inc. and Friends of Lumos USA Ltd owed to Lumos Foundation £18k (2021: £15k).

The activities of Lumos Foundation Operations Limited (3rd floor, 86-90 Paul Street, London EC2A 4NE, UK, company registration number 12369753) are consolidated into the accounts of Lumos Foundation. Activities started during 2021.

The summary financial performance of Lumos Foundation Operations Limited is below:

	2022 £'000	2021 £'000
Income	230	184
Expenditure	(23)	(12)
Gift Aid to Lumos Foundation	(207)	172
Position for the year	-	-
Closing reserves	-	-
Reconciliation of funds		
Current assets	131	187
Current liabilities	(131)	(187)
Net current assets	-	-

3) Subsidiaries (continued)

During the year, Lumos Foundation charged administrative expenses to Lumos Foundation Operations Limited totalling £12k (2021: £12k).

At the year-end an amount of £121k (2021: £187k) was due to Lumos Foundation, £207k is the Gift Aid payable for 2022 (2021: £172k).

4) Raising funds

	2022 Total Funds £'000	2021 Total Funds £'000
Raising funds and donor communication		
Fundraising costs	1,007	1,130
Donor communication costs	81	41
Support costs (note 7)	356	391
	1,444	1,562
Investment management fees	5	14
Total	1,449	1,576

5) Charitable activities

	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2022 Total Funds £'000	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2021 Total Funds £'000
Deinstitutionalisation in Europe	712	263	975	1,481	504	1,985
Deinstitutionalisation In LAC	1,076	523	1,599	1,752	644	2,396
Global Deinstitutionalisation	1,925	847	2,772		1	1
Advocacy, training and research	427	188	615	1,770	583	2,353
Total	4,140	1,821	5,961	5,003	1,732	6,735

6) Grants payable

	Grants to institutions 2022 Total £'000	Grants to institutions 2021 Total £'000
Peace Manifest	360	–
Catholic Relief Services	88	219
International Association of Women Judges	88	196
Save the Children Haiti	34	43
Moldova – Small Group Homes	–	660
Other	1	4
Total	571	1,122

As part of the Ukraine Emergency Response programme, Lumos made grants to Peace Manifest to provide food and hygiene packages.

Lumos made grants to Catholic Relief Services and International Association of Women Judges as part of the Building Enduring Systems to end Trafficking project in Haiti, which delivers transformative progress on ending human trafficking, with a focus on child trafficking. Lumos made grants to Save the Children to support Lumos Haiti's deinstitutionalisation activities in Haiti.

During 2021, five Small Group Homes in Moldova were donated to local authorities.

7) Support costs

	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2022 Total Funds £'000	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2021 Total Funds £'000
Admin, Legal and Compliance	35	115	150	180	77	257
Finance	112	489	601	78	420	498
Human Resources	71	436	507	22	362	384
Information Technology	11	69	80	8	142	150
Office Services	127	712	839	103	731	834
Total	356	1,821	2,177	391	1,732	2,123

In 2021, the above costs were apportioned between activities based on an estimate of time spent by staff on them. From 2022, all support costs are allocated based on expenditure. The comparative figures have not been restated.

8) Governance costs

	2022 £'000	2021 £'000
Legal and Professional fees	73	84
Other costs	7	1
Total	80	85

9) Net income for the year

Net income for the year is stated after charging:

	2022 £'000	2021 £'000
Group Auditor's remuneration		
Audit services – Group	22	17
Audit services – Friends of Lumos USA	3	3
Audit services – Lumos Foundation Operations Limited	5	3
Advisory services	-	2
Payroll and tax services	2	8
Lumos USA Auditor's remuneration		
Audit services – Lumos USA	10	9
Other services	1	1
Depreciation of owned fixed assets	149	208
Operating lease rentals		
Land and building	130	223

10) Staff costs and remuneration of key management personnel

The staff headcount numbers for the period are as follows:

	2022 No.	2021 No.
Management and administrative staff	22	34
Fundraising and donor communication staff	10	12
Programmes staff	39	72
Total	71	118

10) Staff costs and remuneration of key management personnel (continued)

Staff costs relating to the above persons are as follows:

	2022 £'000	2021 £'000
Wages and salaries	2,909	3,704
Social security costs	398	479
Pension costs	142	177
	3,449	4,360
Agency staff	304	27
Total	3,753	4,387

The number of employees whose emoluments during the year exceeded £60,000 were:

	2022 No.	2021 No.
£60,001–£70,000	2	5
£70,001–£80,000	–	2
£80,001– £90,000	3	3
£90,001–£100,000	–	2
£110,001 - £120,000	1	–
£120,001 - £130,000	1	–
Total	7	12

Pension costs totalling £30k (2021: £45k) were paid in respect of the above employees.

The key management personnel of the Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £578k (2021: £696k).

10) Staff costs and remuneration of key management personnel (continued)

During the year the Trustees decided to reduce the number of such staff as part of an organisational restructure and this is reflected in the 2022 results.

During 2022, termination payments were paid of £123k (2021: £37k). There was an increase for 2022 as a result of the restructure and closure of the Haiti office.

11) Trustees' expenses and remuneration

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2021: £nil).

Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £89 for two Trustees' travel expenses (2021: £nil).

12) Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

13) Tangible and intangible fixed assets of Charity and Group

	Intangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible Fixed Assets	Tangible and Intangible Fixed Assets
	Software £'000	Land and Buildings £'000	Leasehold Improvements £'000	Furniture, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 January 2022	236	125	376	348	25	1,110
Additions	–	–	–	2	–	2
Disposal	–	–	(376)	(166)	–	(542)
At 31 December 2022	236	125	–	184	25	570
Depreciation						
At 1 January 2022	174	14	301	305	19	813
Charge for the year	47	3	75	20	4	149
Disposal	–	–	(376)	(166)	–	(542)
At 31 December 2022	221	17	–	159	23	420
Net book value						
At 31 December 2022	15	108	–	25	2	150
At 31 December 2021	62	111	75	43	6	297

Lumos Foundation Land and Buildings' opening position represents one property in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the asset to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding. The grant of the property is planned for 2024.

14) Investments of Charity and Group

	2022 £'000	2021 £'000
Listed investments		
Market value at 1 January	1,533	1,440
Additions at cost	69	103
Disposals proceeds	(960)	(101)
Net investment (losses)/gains	(91)	91
Market value at 31 December	551	1,533
Cash held by investment managers for reinvestment	16	112
Total	567	1,645

Listed investments held at 31 December 2022 were managed on behalf of Lumos by Close Brothers and comprised the following:

	2022 £'000	2021 £'000
UK fixed interest	150	628
UK equity	63	154
Overseas equity	212	560
Commodities	17	22
Property	18	37
Alternatives	75	116
Multi asset	16	16
Market value at 31 December	551	1,533
Cost of listed investments at 31 December	505	1,300

15) Debtors

	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
Other debtors	111	111	110	110
Prepayments	143	86	122	115
Accrued royalty income	953	953	937	937
Trade debtors and other accrued income	240	136	571	418
Amount due from subsidiary undertaking	—	206	—	—
Total	1,447	1,492	1,740	1,580

16) Creditors:**a) Amounts falling due within one year**

	Group 2022 £'000	Charity 2022 £'000	Restated	
			Group 2021 £'000	Charity 2021 £'000
Trade creditors	119	102	162	156
Taxation and social security	36	36	4	4
Accruals	75	50	151	132
Amounts due to subsidiary undertakings	—	3,065	—	2,063
Other creditors	115	115	291	291
Deferred income	507	507	56	56
Total	852	3,875	664	2,702

b) Amounts falling due in more than one year

	Group 2022 £'000	Charity 2022 £'000	Restated	
			Group 2021 £'000	Charity 2021 £'000
Loan	124	—	111	—
Total	124	—	111	—

The £124k (2021: £111k) falls due after more than five years. This consists of a COVID-19 Economic Injury Disaster loan taken up by Lumos Foundation USA Inc. The prior year has been restated owing to this being included in amounts falling due within one year in 2021.

c) Analysis of deferred income

	Group 2022 £'000	Charity 2022 £'000
At 1 January 2022	56	56
Recognised as income in year	(49)	(49)
Deferred in year	500	500
At 31 December 2022	507	507

The £507k at 31 December 2022 (2021: £56k) consists of income received in the year that relates to the following year. The income deferred in 2022 relates to a donation, the income deferred in 2021 relates to royalty income.

17) Provisions for liabilities and charges

	Group 2022 £'000	Charity 2022 £'000
At 1 January 2022	—	—
Charges in Consolidated Statement of Financial Activities	195	195
At 31 December 2022	195	195

Provisions include estimated probable future costs in respect of dilapidations. These are subject to negotiations in 2023.

18) Restricted funds

	At 1 Jan 2022 £'000	Income £'000	Expenditure £'000	At 31 Dec 2022 £'000
Redirecting philanthropic funding	152	57	101	108
Education and child institutionalisation	94	62	132	24
Deinstitutionalisation – Colombia	48	106	154	—
Early childhood intervention – Moldova	—	148	68	80
Ukraine Emergency Response – Ukraine and Moldova	—	2,441	2,087	354
Building Enduring Systems to end Trafficking (BEST) – Haiti	—	678	678	—
Changing the Way We Care	—	3	3	—
Other	66	133	156	43
Total	360	3,628	3,379	609

	At 1 Jan 2021 £'000	Income £'000	Expenditure £'000	At 31 Dec 2021 £'000
Redirecting philanthropic funding	—	152	—	152
Education and child institutionalisation	—	158	6	94
Child and youth participation – Bulgaria, Czech Republic, Moldova	87	85	172	—
Deinstitutionalisation – Colombia	52	157	161	48
Building Enduring Systems to end Trafficking (BEST) – Haiti	—	999	999	—
Changing the Way We Care	—	74	74	—
Other	102	43	79	66
Total	241	1,668	1,549	360

18) Restricted funds (continued)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

- **Redirecting philanthropic funding**

Lumos is running a campaign, funded by UBS Optimus Foundation, that focuses on the funding flows of philanthropy into institutions with the aim to redirect this funding into family strengthening and alternative care services.

- **Education and institutionalisation**

Lumos has undertaken important research that seeks to better understand and raise awareness of the links between education and child institutionalisation, as part of Lumos's work in tackling the drivers of family separation. This research is funded by UBS Optimus Foundation.

- **Deinstitutionalisation - Colombia**

Lumos's programme in Colombia works to influence and support a critical shift from reliance on residential institutions, to the provision of services which enable children to live safely in families and benefit from community-based care. During 2022, the programme received funding from Comic Relief USA, Latin American Children's Trust and a private donor.

- **Early childhood intervention - Moldova**

Working with the Moldovan Government, Lumos is piloting an integrated approach to early childhood intervention (ECI) services in two regions in Moldova. This project seeks to provide vulnerable children and their families with accessible and appropriate care within their communities. This project is co-funded by Aperitivo, the Karl Kahane Foundation, and Fondation Dora.

- **Ukraine Emergency Response - Ukraine and Moldova**

Lumos's Ukraine Emergency Response programme was started in March 2022 following the invasion of Ukraine in February 2022. Lumos has responded to this crisis through programmes in Ukraine and Moldova, working with partner organisations and Government to deliver a humanitarian response to those displaced by the war in Ukraine and refugees in Moldova. Lumos's response has focused on needs assessment, emergency aid (food and basic needs), family reunification and support, child protection and psychosocial support for trauma affected children and families.

- **Building Enduring Systems to end Trafficking (BEST) - Haiti**

Lumos works in Haiti to support the Building Enduring Systems to end Trafficking (BEST) project in Haiti, to deliver transformative progress on ending human trafficking, with a focus on child trafficking. This was funded by a grant from the United States Agency for International Development (USAID). Lumos closed its operations in Haiti in 2022.

- **Changing the Way We Care - Global**

CTWWC is a consortium of Catholic Relief Services, Lumos and Maestral International delivering a programme designed to move the needle on care reform through demonstration projects in three countries alongside global campaigning and advocacy. Lumos's participation in this consortium ended during 2022.

- **Child and youth participation - Bulgaria, Czech Republic, Moldova**

The Karl Kahane Foundation funded important child and youth participation work in Ukraine, Moldova, Bulgaria and Czech Republic, supporting youth advocates in building their life skills and empowering them to influence decisions and bring about change on key issues that affect their lives. The project ended in 2021.

19) Analysis of net assets between funds of Group and Charity

The net assets of the Group analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000
Tangible fixed assets	135	–	135	235	–	235
Intangible fixed assets	15	–	15	62	–	62
Investments	567	–	567	1,645	–	1,645
Current assets	3,394	609	4,003	2,079	360	2,439
Current and long term liabilities and provisions	(1,171)	–	(1,171)	(775)	–	(775)
Total	2,940	609	3,549	3,246	360	3,606

Included within investments above are cumulative unrealised losses of £91k (2021: gains of £91k).

The net assets of the Charity analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000
Tangible fixed assets	135	–	135	235	–	235
Intangible fixed assets	15	–	15	62	–	62
Investments	567	–	567	1,645	–	1,645
Current assets	3,088	584	3,672	1,751	345	2,096
Current and long term liabilities and provisions	(4,070)	–	(4,070)	(2,702)	–	(2,702)
Total	(265)	584	319	991	345	1,336

20) Related party transactions

Lumos Foundation recognises Lumos Foundation USA Inc. and other members of the Lumos Foundation group as related parties. Transactions and further details are provided in note 3.

There were no other related party transactions during 2022.

During 2021, the charity reimbursed the Blair Partnership £159 (inclusive of VAT) for the cost of refreshments for an event incurred by the charity but settled by the Blair Partnership. The amount was settled after year end. Neil Blair, who resigned as Chair on 8 December 2021, is the founding partner of the Blair Partnership.

During 2021, the charity received pro bono due diligence services from GPW Ltd to the value of £3,500. The Chair's husband is a shareholder and Managing Partner of GPW Ltd.

21) Financial commitments

At 31 December 2022 the charitable company has total minimum lease commitments under non- cancellable leases as follows:

	2022 £'000	2021 £'000
Within one year	17	175
Between one and five years	-	-
Longer than five years	-	-
Total	17	175

22) Comparative consolidated statement of financial activities

	Unrestricted Funds	Restricted Funds	2021 Total Funds
	£'000	£'000	£'000
Income and expenditure			
Income from:			
Royalties	1,820	—	1,820
Donations and Gift Aid	1,178	—	1,178
Charitable activities			
Grant income	43	1,652	1,695
Investment income	35	—	35
Other income	28	16	44
Total income	3,276	1,668	4,944
Expenditure on:			
Raising funds:			
Raising funds and donor communication costs	1,562	—	1,562
Investment management costs	14	—	14
Release of lease incentive	(129)	—	(129)
Charitable activities	5,186	1,549	6,735
Total expenditure	6,633	1,549	8,182
Net expenditure	(3,357)	119	(3,238)
Other recognised gains/(losses):			
Net gain on investments	91	—	91
Other recognised gains	22	—	22
Net movement in funds	(3,244)	119	(3,125)
Reconciliation of funds:			
Total funds brought forward	6,490	241	6,731
Total funds carried forward	3,246	360	3,606

REFERENCE AND ADMINISTRATIVE DETAILS

President of Lumos Foundation (UK) and Patron, Lumos Foundation USA Inc.

J.K. Rowling

Trustees, Lumos Foundation (UK)

C. Copland (Chair of Trustees)

U. Ali (appointed 8 December 2022)

B. DiMichele

N. Gill

D. Moore (resigned 8 December 2022)

T. Motie (resigned 8 December 2022)

D. Mulenga

N. Pasricha (Treasurer)

J. Paul

K. Wills

Directors, Lumos Foundation USA Inc.

B. DiMichele (Chair)

L. Little (Treasurer)

P. McDermott

L. Robbins

Directors, Lumos Foundation Operations Ltd.

R. Dattani

C. Copland

P. Hellmuth

P. McDermott

Trustees, Friends of Lumos USA Ltd.

C. Deshpande

P. McDermott

P. Hellmuth

Chief Executive Officer, Lumos Foundation (UK)

P. McDermott

Company Secretary, Lumos Foundation (UK)

N. Williams (resigned – 24 May 2022)

C. Rossiter (appointed – 8 December 2022)

Registered Office

Lumos Foundation (UK)
3rd Floor, 86-90 Paul Street, London EC2A 4NE, UK

Lumos Foundation USA Inc.

557 Broadway, New York NY 10012, USA

Friends of Lumos USA Ltd

3rd Floor, 86-90 Paul Street, London EC2A 4NE, UK

Lumos Foundation Operations Ltd.

3rd Floor, 86-90 Paul Street, London EC2A 4NE, UK

Lumos Foundation -UK Company registration number

05611912 (England & Wales)

Lumos Foundation -UK Charity registration number

1112575

US IRS reference number

47-2301085

Friends of Lumos USA Ltd – UK Company registration number

09502092 (England & Wales)

Friends of Lumos USA Ltd – UK Charity registration number

1170023

Lumos Foundation Operations Ltd- UK Company registration number

12369753 (England & Wales)

Auditor (UK)

Saffery Champness, 71 Queen Victoria Street, London EC4V 4BE, UK

Bankers (UK)

HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ, UK

Solicitors (UK)

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, UK

Investment Managers (UK)

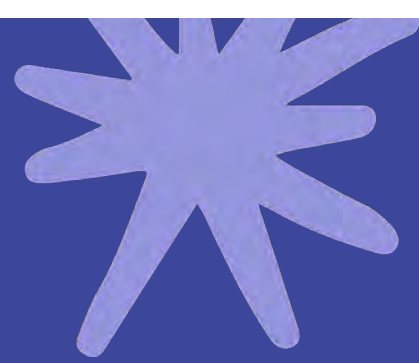
Close Brothers, 10 Exchange Square, Primrose Street, London EC2A 2BY, UK

This page forms part of the Trustees' annual report.



THANK YOU 
FOR YOUR SUPPORT





We thank all of our supporters for joining Lumos in the fight for every child's right to a family. In particular, we would like to thank the following organisations and individuals who, alongside many other generous donors, have provided funding during this last year.

MARIO C BAUER & NATALIA SOBECKA - APERITIVO INTERNATIONAL B.V. | BEECHFIELD BRANDS LIMITED
DARRELL BENATAR | LEWIS BERNARD | MR TOM G BITTERS & MRS GERI D BITTERS | THE BLAIR PARTNERSHIP
BLOOMSBURY | CARLSEN VERLAG GMBH (BONNIER MEDIA) | CASTLE FINE ART | DALE CENDALI | COMIC RELIEF UK
COMIC RELIEF USA | CUSHMAN & WAKEFIELD | FONDATION DORA | EDITIONS GALLIMARD JEUNESSE
THE EQ FOUNDATION | FARRER & CO | THE FUTURE DIRECTIONS FOUNDATION
EVAN GARDNER (IN HONOR OF DEBRA GLAZER) | MR H GRANT | FEDERATED HERMES | KARL KAHANE FOUNDATION
THE KARLSSON JÁTIVA CHARITABLE FOUNDATION | KEVIN KIRK | KIRKLAND & ELLIS
LELEKA SHOWCASE, JACKSONS LANE THEATRE | LIONEL & ARIANE SAUVAGE FUND
LITTLE MONKEYS NURSERY, EDINBURGH | STUART McALPINE MILLER | NI-CO | THE NOBLE COLLECTION | ORBIA
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THEIR CONTRIBUTIONS IN 2022**





A family for all children

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LUMOS FOUNDATION

England & Wales - Charity number 1112575

Accounts



A family for all children

ANNUAL REPORT

2021

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FOREWORD

The world has changed rapidly over the last two years. The fight for every child's right to a family has never been more urgent.

In 2021 we continued to transform care systems and improve children's lives across the globe. Thanks to the generous help of our supporters we have changed the lives of children like Maria and Camilo, whose stories you can read inside this report.

As the Ukraine crisis unfolded, we pivoted our existing work in Ukraine and Moldova to help some of the most vulnerable families. In 2022, we worked with the government and local partners to supply 794 families with food, medicine and hygiene supplies, and 1,230 children with learning materials. We trained 1,306 professionals to provide psychosocial support and Early Childhood Development services. We are acutely aware that the care reform progress we and others have worked hard to achieve in the region now risks being unraveled. As families are plunged into war, the dangers of resorting to institutional care and of child trafficking are real and escalating. We are working with our partners to raise and address these issues.

When we are invited to provide in-country support, our aim – by providing expertise and support – is to enable local governments and administrations to move from institution- to family-based child care. In December 2021, after a decade of such support, we successfully withdrew from Czechia and Bulgaria. In Czechia Lumos' legacy lives on through the 2021 amendment to the law that prevents children under the age of three from being placed in institutions. In Bulgaria we completed our training programme for guardians and practitioners on developing family and community-based alternative care. In general when we leave a region it marks a successful change. Sadly, we are leaving Haiti in 2022 because we are unable to deliver truly impactful work safely due to the high-risk security situation. We thank our staff and supporters who have changed hundreds of children's lives for the better in Haiti, reaching 683 in 2021 alone. We are working with partners to ensure a safe transition.

In 2021, we said thank you and farewell to Sir Roger Singleton, Interim CEO, stalwart and "guardian angel" of Lumos, and Neil Blair, our wonderful Chair of Trustees, who has dedicated so much of himself to leading Lumos through the last eight years and more. We also welcomed our new CEO Peter McDermott, who brings a wealth of international development experience. In his first year he has led Lumos' emergency Ukraine response, and delivered organisational change which will ensure Lumos will continue to deliver meaningful and sustainable change for families around the world.

Finally, I want to acknowledge the dedication and hard work of our amazing staff. They approach every challenge with professionalism, commitment and purpose. I thank them from the bottom of my heart.

Our message is simple: every child has the right to grow up in a safe and loving family.

Carol Copland, Chair of Trustees

KEY STATS



274

Increasing knowledge around care reform, sharing best practice and increasing technical skills is crucial to our mission. In 2021 we were involved in 190 training events for stakeholders and delivered training to 274 members of national governments.

705

We give families and other carers the support they need to look after children at home. From psychological counselling and training in parenting skills to support with finances and housing, in 2021 we provided support services to 705 carers in Moldova.

104

Every child deserves to grow up in a safe and loving family environment. In 2021 we helped to move 104 children from institutions in Ukraine into family or community-based care settings. With the right support, 81 of these children were able to be reunited with their immediate biological families.



315

We targeted 315 children and young people in Haiti with specialised support services, including child assessments and personal development planning, mental health support and help with accessing education services.

2,500

In Kenya, during the annual Primary Schools Headteachers conference, around 2,500 teachers attended a session where our Senior Technical Adviser Grace Mwangi gave a presentation on the role of teachers in the implementation of care reform strategy.

15

We helped 15 institutions to close or to operate as another type of service provider across Colombia, Czechia, Haiti, Jordan, Moldova and Ukraine.

1,188

We work to amplify the voices of young people with lived experience of institutions and alternative care. We engaged 1,188 children and young people from around the world in a global consultation to capture their views at the United Nations Day of General Discussion on Children's Rights and Alternative Care, which was attended by participants from across 120 countries.



64

We drive change through nurturing our expertise and advocating for care reform. In 2021 we developed 64 advocacy or research products, including our groundbreaking Cycles of Exploitation report, a National Care Reform Strategy in Kenya and a report on strengthening family-based care in refugee contexts.

167

In Colombia we conducted 167 psychosocial support sessions to help children and young people through the challenges created by Covid-19. We also distributed \$10,000,000 COP (£2,000) in cash grants as well as food parcels.

400

Making the decision to exit a country is always difficult. 400 people attended our exit conference in Czechia, where we leave behind the legacy of a ban on 'baby homes', to learn about the ten years' of care reform work we've undertaken there.

OUR VISION

All children grow up in safe and loving families.

OUR MISSION

To fight for every child's right to a family by transforming care systems around the world.

OUR VALUES

Children are at the heart of everything we do.

They drive us forward in our vision and underpin every aspect of our work and strategy, helping us bring about the very best outcomes for the children we serve.



"The issues of deinstitutionalisation and inclusion are extremely important. As a conscious Ukrainian who cares about the future of my country and the fate of its children, I have the desire and opportunity to help – together with like-minded people, other youth ambassadors and Lumos – to try to influence the situation. I believe we'll see the light at the end of the tunnel.

Perhaps the deepest way to understand someone is to walk in their shoes. I believe that it's our sacred duty to help others. No residential institution, even the best, can replace a child's family, or their love and care. And I was convinced of this by my own experience. That's why I find Lumos' mission in tune with my own.

Together with the Board of Youth Ambassadors, I plan to work on reducing the number of residential institutions throughout Ukraine and support children with disabilities."

MARK
YOUNG ADVOCATE, UKRAINE

Please note: this interview took place in December 2021.



A FAMILY FOR ALL CHILDREN

WHAT WE DO FOR CHILDREN

Lumos is fighting for every child's right to a family by transforming care systems around the world. We are an international charity striving for a future where every child is raised in a safe, loving home, supported by family to help them thrive.

On average more than 80% of children in orphanages have a living parent, and research proves that these institutions can harm a child's growth and development. Yet there are still an estimated 5.4 million children trapped in institutions globally.

Lumos sheds light on the root causes of family separation – poverty, conflict and discrimination – and demonstrates that children can safely be united with families. By pressing governments to reform care systems, and by building global expertise and capacity with partners, we ensure no child is forgotten.

Founded by author J.K. Rowling, we are lighting a path to a brighter future where all children can grow up in a safe and loving family. We believe in a family for all children.

CHANGING THE SYSTEM FOR CHILDREN

Thanks to the efforts of Lumos and our partners, the harms of institutionalisation are now more widely understood. Backed by better evidence, there's growing consensus that no child belongs in an institution. Separated from their families and communities, children living in institutions are deprived of the love, attention and opportunities they need to thrive.

In diverse countries and contexts, we've worked hard to prove change is possible. With careful planning and management, child protection systems can be transformed to ensure all children enjoy their right to grow up in a safe and loving family. Our strategy builds on our rich heritage to ensure thousands more children and families can benefit from our work and that we achieve an impact greater than the sum of our parts.

The children trapped in institutions are deprived of their basic rights, their liberty and the chance to reach their full potential. Every child taken away from their family and consigned to an institution tears the very fabric of a happy and healthy society.

We cannot afford to lose another generation of children to institutionalisation.

wearelumos.org





5.4

AN ESTIMATED 5.4 MILLION CHILDREN ARE LIVING IN INSTITUTIONS WORLDWIDE

A YEAR OF INCREDIBLE SUPPORT



GLOBAL GALA SUCCESS

In October, we held our first ever virtual Gala. Guests tuned in from 38 different countries to watch spellbinding musical performances from Sophie Ellis-Bextor and Peter Bence, and to hear about some of the children you've helped us support. Our founder J.K. Rowling treated us to a world-exclusive reading from *The Tales of Beedle the Bard* before answering questions from an inspiring group of young self-advocates. Other magical guests who took part in this special event included Evanna Lynch, Bonnie Wright, Noma Dumezweni and Jason Isaacs. Thanks to the generosity of everyone who attended the Gala, we were able to raise an amazing \$631,170 to support our work.

RUNNING FOR CHILDREN'S RIGHTS

12 dedicated Lumos fundraisers were put through their paces at the London Landmarks Half Marathon in August. They ran for 13.1 miles while taking in some of the city's iconic sights including Big Ben, the Tower of London and the London Eye. Cheered on by our team, they raised £8,949, which was generously matched by one of our supporters, bringing the total to a fantastic £18,949.

GIVING TO FAMILIES IN NEED

Every ticket purchased for our virtual gala helped our teams around the world distribute essential supplies and much-needed support packages to families in need. In Bulgaria we worked with a local NGO to deliver gifts and school supplies to refugee children from across five towns, in Ukraine we delivered support kits to 39 children, and in Colombia we worked with the



“LUMOS SHINES LIGHT, HOPE AND COMPASSION IN THE DARKNESS, AND THEY'RE SUCH A FABULOUS TEAM. I FELT PRIVILEGED TO WEAR THE LUMOS VEST FOR THE LONDON LANDMARKS HALF MARATHON.”

– ROB, LUMOS FUNDRAISER

Michin Foundation to distribute food packages to reunited families experiencing financial hardship.

SPEAKING UP FOR CHILDREN

Our incredible youth advocates have been making their voices heard this year. Nicoleta, a self-advocate from our Youth Advisory Board in Moldova, spoke at the the United Nations Day of General Discussion on Children’s Rights and Alternative Care, which was attended by over 1,000 participants from across 120 countries.

“I participated because I wanted to be heard by a lot more people, from different countries, to give hope to children who are in institutions.” says Nicoleta.

FANTASTIC FUNDRAISING

Some of our brilliant ambassadors including Evanna Lynch, Bonnie Wright and Sophie Ellis-Bextor helped us to launch our magical T-shirt range with Represent to raise vital funds for our work. Everyone who bought a t-shirt is helping to shine a light on our mission to keep families together.

WORKING HARD FOR CHANGE

Even in the most challenging of circumstances, our amazing staff have continued to work tirelessly to improve the lives of children and families across the globe, staff like Grace Mwangi, our senior technical advisor in Kenya. It’s thanks to the hard work of people like Grace that we can effect real change in communities.

Find out more at wearelumos.org/grace

CHILD AND YOUTH PARTICIPATION



Children and young people don't just have a right to be included in decisions that affect their lives – they are the experts on their own lives, and care reform is more successful with their involvement. Through 2021, we continued to work with 'self-advocates' and youth networks – and guide governments and other partners to ensure children's voices are heard. Thank you to the Karl Kahane Foundation for supporting this work.

Because of the pandemic, we had to adapt many of our activities, and often couldn't visit schools, homes and institutions. It's hard to create the same sense of community online, and virtual meetings are far less inclusive for people with disabilities and those without access to devices and a reliable internet connection.

But our staff and young people were amazingly resilient and creative. We took the opportunity to meet in person wherever possible, and managed to safely deliver a hybrid online/offline model for our youth forums in Ukraine, Moldova, Bulgaria and Czechia. We also supported youth advocates to participate in advisory groups for the UN Day of General Discussion on Children's Rights and Alternative Care, and to speak at two international advocacy events.

As well as posing practical challenges, Covid has affected the young people we support personally. Many have experienced financial hardship and mental health challenges. Throughout the pandemic, we've kept in close contact with members of our youth advisory boards, offering emotional and practical support.

LEADING UN DISCUSSIONS

September brought the UN Day of General Discussion on Children's Rights and Alternative Care – and we made sure children and young people were at the heart of it. We helped to establish a child and youth advisory team, involving 30 children and young people from 22 countries. They worked with us over 18 months to help shape the content of the day. We also supported a global consultation that enabled over 1,200 children and young people from around the world to share their experiences of alternative care. The findings were a central feature of the discussions and will inform recommendations to improve care for children.

INCLUSION THROUGH SPORT IN BULGARIA

In Bulgaria, young people from our youth advisory board shared the lessons we've learned about child and youth participation over the last 10 years through training sessions and webinars. They were also involved in our "inclusion through sport" project, which delivered sports equipment and accessible information on exercising safely to 100 children and young adults living in small group homes. Movement, sports and exercise are important for young people's physical and mental health, and our aim is to make this part of the routine in small group homes.

INFLUENCING FAMILY COURTS IN CZECHIA

Court decisions on divorce and family conflict can have a huge impact on children, and they should be able to participate in the process. After co-leading focus groups with children and young people about their experiences, our youth advisory board (YAB) in Czechia shared their findings with judges and other professionals working in family courts. The YAB recommended ways to ensure the participation of vulnerable children in court proceedings and presented what they learned – to family court judges at the Czech Judicial Academy Family Law Symposium and at a meeting of the International Society for the Prevention of Child Abuse and Neglect. Their presentations provoked positive discussions about making family courts more inclusive, child-friendly and child-centred.

YOUNG PEOPLE AS TRAINERS

Also in Czechia, we worked with young people to develop training, based on their own experiences, on how to communicate with children in the care system. The idea was to help professionals see things from children's perspective by experiencing the role of a vulnerable child during an interactive workshop. Young people themselves delivered the training to social workers and other professionals, including through a workshop for 30 judges. The training was well received. It's been requested by several organisations, and we're now making a film so we can share it more widely.





LUMOS YOUTH FORUM 2021

Covid restrictions meant we couldn't hold our youth forum wholly in person, but we worked closely with young people to organise a hybrid event. Youth advisory board members met in person in Czechia, Bulgaria, Moldova and Ukraine, where they took part in training, team-building activities and meetings with national policymakers. The other half of the programme took place online, and included consultations on Lumos policies, research into the impact of our work in Central and Eastern Europe, and a filmed meeting with Lumos founder J.K. Rowling.

ADVOCATING FOR REFORM IN UKRAINE

In Ukraine, our self-advocates have been actively involved in shaping public policy on reforming the country's institutional care system. We supported the 60 members of the National Council of Children and Youth, including 12 self-advocates, to take part in national-level working groups, sharing their experience of living in residential institutions and advocating for children's right to a family. Members of Lumos' youth advisory board also ran various awareness-raising activities, including sharing stories of children and young people with disabilities who have overcome obstacles, and an Instagram campaign to encourage young people in Ukraine to share their ideas on the theme of inclusion.

GIVING CHILDREN AND YOUNG PEOPLE A VOICE

To promote the importance of family-based care, we supported children and young people in Moldova to share their stories. They highlight a broad range of experiences, including those with disabilities, those who were reunited with their biological families or prevented from going through family separation, and those who moved from residential institutions into families, communities, and independent life – and show how we've supported children's educational and community inclusion. Young self-advocates were involved throughout the process: they helped develop the concept, received training from a journalist and a photographer, shared their own stories, and accompanied Lumos staff to participate in interviews.

TRANSFORMING CARE IN COLOMBIA

Building on the success of our self-advocates in Central and Eastern Europe, we're creating a similar team in Colombia as part of our new youth participation strategy. In June, 62 young people from the residential care system and care leavers took part in a range of workshops and interviews with us to share their experiences and opinions of residential care and the child protection system. As a result, a group of 20 motivated young people are receiving support and training to become self-advocates for children's rights and play an active role in transforming the care system in Colombia.

YOUTH-LED RESEARCH IN MOLDOVA

Our youth advisory board (YAB) in Moldova carried out a study into people's attitudes towards the country's care reform and to children and young people who have grown up in institutions. The project began back in 2019, but the pandemic made it impossible to continue interviews in person. In 2021, the project continued online, and the YAB collected responses from 230 people from four Lumos demonstration regions. The report has now been published, and our young advocates will be using it to promote children's right to grow up in families in our work with government and local authorities.

PROMOTING CHILDREN'S RIGHTS IN HAITI

Despite the pandemic and the security situation in Haiti, we managed to reach 398 girls and 285 boys through our child and youth participation groups. These provide safe spaces for discussions around the rights of children and young people, as well as activities such as educational games, theatre and dance. Our country team also created a podcast to communicate the importance of the rights of children and young people, producing programmes on the safety of children, violence against girls and women, and children's rights.

POWERFUL EVIDENCE



There's a compelling case to end institutional care of children, with over 300 research studies showing the long-term harm it causes. But gaps remain in the global evidence base. Capturing and deploying new evidence is an essential part of our work to drive change and fulfil our ultimate ambition for all children to grow up in happy, healthy, loving families.

Ending institutionalisation benefits children and society. The more evidence we can collect to fill knowledge gaps, and identify the drivers of institutionalisation, the more we can do to press governments to reform childcare systems and enable children to grow up in loving families.

As part of the global movement for care reform, we co-chaired an "Evidence for Impact" working group of over 80 practitioners and experts with the Global Collaborative Platform on Transforming Children's Care. This aims to build a shared research agenda and improve global monitoring of progress in care reform. It will also focus on the drivers of institutionalisation so we can prevent family separation in the first place.

Showing evidence of the links with global challenges like poverty and violence will help strengthen collaboration with those working in other sectors, and ensure institutionalisation and care reform are on their agenda too. As part of this, with generous funding from UBS Optimus Foundation, we launched a global review in 2021 exploring issues around education and institutionalisation, with findings published this year.

Another important area of our work is sharing evidence and lessons learnt from our demonstration projects to influence care reform in other countries and regions. Last year, for example, we carried out an evaluation of our work in Bulgaria, Czechia and Moldova, to identify transferable principles, methods and learning.

BETTER CARE FOR REFUGEE CHILDREN

Between 2018 and 2020, Lumos worked with partners in Tigray refugee camps in Ethiopia to increase foster care for one of the world's largest populations of unaccompanied and separated refugee children. In 2021 we distilled what we learned into a report, *Protecting Unaccompanied Children in a Changing World*. The report aims to help those working in child protection and with refugees to provide better services for unaccompanied children. We highlighted three principles that can be applied around the world in other refugee settings: making family-based care the first option, creating strong processes and systems, and investing in people not institutions.

UNDERSTANDING CARE REFORM IN EUROPE

We've been supporting care reform in Central and Eastern Europe for a number of years – and think this will provide valuable learning to inform similar efforts in other countries. In 2021, we began a rigorous evaluation of care reform programmes in Bulgaria, Czechia and Moldova, aiming to identify shared elements and unique innovations in each country. Through interviews and focus groups with public officials, NGOs, Lumos staff and self-advocates, we're examining how, why, to what extent and under what conditions care reform has been achieved in each country. We'll pull our findings into a report that identifies a clear and evidence-based path to effective care reform.

LIFTING THE LID ON FUNDING IN CHILDREN'S INSTITUTIONS IN KENYA

Globally, overwhelming evidence shows that family and community-based care offers better value for money than institutions – and our latest research suggests that Kenya is no exception. With our partners at Changing the Way We Care, we carried out research into how children's institutions in Kenya are funded. It revealed a complex mix of domestic and foreign funding, including governmental, bilateral, charitable, faith-based and corporate sources, as well as individual giving and volunteering. We'll use these findings to press the case for care reform and better targeted funding in Kenya.

EVIDENCE-BASED CARE REFORM IN COLOMBIA

This year, our team in Colombia began a strategic review of the system of care for vulnerable children, in collaboration with the Colombian Institute of Family Welfare. The project will help gather information to guide the transformation of the care system in Bogotá and neighbouring Cundinamarca. It will look at the scale and drivers of institutionalisation and family separation, existing resources that can be built on, and gaps that need to be filled. From this, we'll work with the government and local stakeholders to develop a shared vision, strategy and plans for reform.

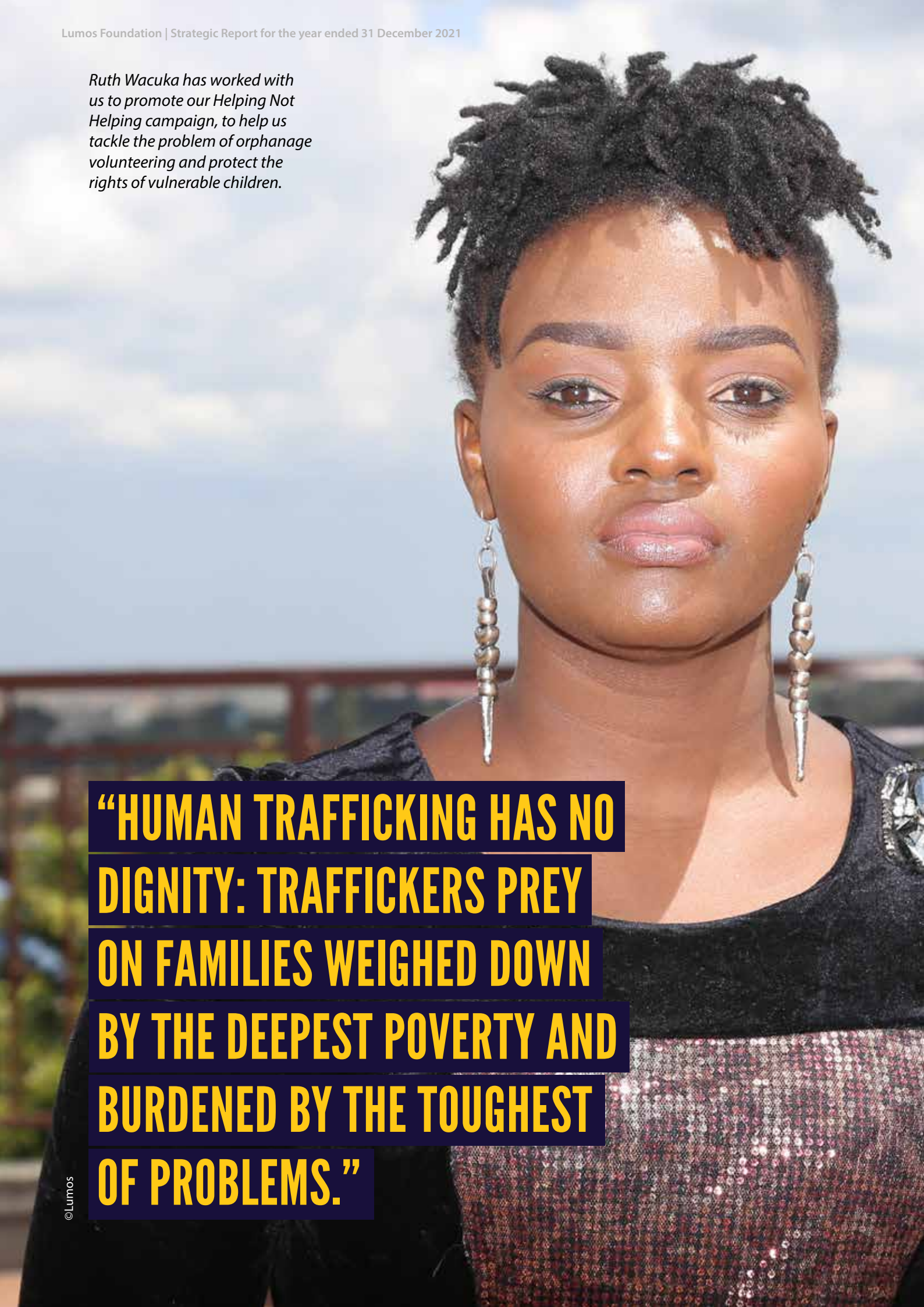


CYCLES OF EXPLOITATION: GLOBAL THEMATIC REVIEW ON CHILDREN'S INSTITUTIONS AND HUMAN TRAFFICKING

In December 2021, we launched a ground-breaking report, *Cycles of Exploitation: The Links Between Children's Institutions and Human Trafficking*. Drawing together research and case studies from all over the world, the report reveals how orphanages and other institutions play an instrumental role in perpetuating cycles of child trafficking and exploitation. Better understanding of the links between institutions and trafficking will help drive action to address the issue. Discussions at our launch event explored how the report's recommendations can be embedded in policy and practice. Experts and organisations from 45 countries contributed to the report.



Ruth Wacuka has worked with us to promote our Helping Not Helping campaign, to help us tackle the problem of orphanage volunteering and protect the rights of vulnerable children.

A close-up portrait of Ruth Wacuka, a Black woman with short, dark, textured hair. She is wearing large, silver, beaded earrings and a black top with a sequined section. The background is a blurred outdoor setting with a railing and a cloudy sky.

“HUMAN TRAFFICKING HAS NO DIGNITY: TRAFFICKERS PREY ON FAMILIES WEIGHED DOWN BY THE DEEPEST POVERTY AND BURDENED BY THE TOUGHEST OF PROBLEMS.”



CYCLES OF EXPLOITATION

Ruth Wacuka is founder of Reroot Africa, an organisation working to raise awareness of orphanage trafficking, and contributing author to our *Cycles of Exploitation* report.

“Human trafficking has no dignity: traffickers prey on families weighed down by the deepest poverty and burdened by the toughest of problems. And unfortunately, voluntourism plays a part in completing the orphanage trafficking equation.

In the orphanage in Kenya where I lived, the day before visitors arrived was like a festival. Everyone tried to guess who was coming. But we knew what they would do when they arrived and what gifts they would bring.

If you looked closer, you could see children in tattered clothes. The children’s conditions remained poor, but while our needs were not met, the orphanage kept taking in new children and collecting more funds.

Tourists usually believe they’re doing good; that by visiting and donating to orphanages, they’re helping children. But many orphanages are less concerned with caring for children than they are with the revenue they can generate. Children are often seen not as human beings with rights, but as vehicles of charity: money-making machines.

Most people with care experience continue to struggle with a lack of social contacts, mentors, friendships, identity and a sense of belonging. This lack is not due to an absence of people while growing up, but instead due to the impermanence of the thousand footprints passing through their lives. The skill of making social bonds is one you learn in a community, not in an orphanage.

The resources ploughed into orphanage tourism are fuelling child abuse and exploitation. **Imagine what could be achieved if they were redirected to family-based care instead.”**

FIND OUT MORE

Explore our ground-breaking new report: *Cycles of Exploitation: The Links Between Children’s Institutions and Human Trafficking*, which reveals how orphanages and other institutions play an instrumental role in perpetuating cycles of child exploitation: cyclesofexploitation.wearelumos.org

ADVOCACY & CAMPAIGNS



A global movement for care reform is building. There's growing recognition of the harm that institutions do to children, and the benefits of family and community-based care. Many countries have committed to reforming their care systems and closing down institutions. But there's still a long way to go. Through our advocacy and campaigning, we aim to create the changes needed in policies, practices and priorities so that every child can grow up with the love and support of a family.

We're not a lone voice: we collaborate with many others to shape the global agenda on care reform and to drive change in individual countries. This includes taking part in international events like this year's UN Day of General Discussion on Children's Rights and Alternative Care, which was a fantastic opportunity to raise awareness and catalyse change.

Through our advocacy work, we seek to influence legislation and policies – notably at EU level, where we've had significant success in driving funding away from harmful institutions and towards family-based care. We also run public campaigns on specific issues – like our Helping Not Helping campaign, which seeks to tackle voluntourism, showing how orphanage tourism and volunteering fuels an industry where children are used as tourist attractions and, in some cases, trafficked and exploited.



UN RIGHTS OF THE CHILD EVENT

Every two years, the UN Committee on the Rights of the Child holds a Day of General Discussion to foster deeper understanding of a particular topic. Originally scheduled for 2020 but rearranged as an online event because of the pandemic, this year's discussions focused on alternative care, following a successful proposal from Lumos and partners. We played a big role in shaping the agenda, and ensuring children and young people were at its heart. Lumos speakers included Nicoleta, a self-advocate from Moldova; Bulgaria country director Bisser Spirov; and CEO Peter McDermott.

INFLUENCING EU FUNDING AND POLICIES

Years of advocacy in the EU paid off when new funding instruments for 2021-2027 included incentives to promote the shift away from institutional to community-based care. Care reform is referenced in both internal and external funding instruments. Newly adopted European strategies on the rights of children and people with disabilities also contained strong references to children in institutions, care reform, inclusive education and child protection. These included amendments tabled by MEPs as a result of direct engagement with Lumos. The funding instruments and strategies will help accelerate care reform in the EU and worldwide.

SUPPORTING NATIONAL RECOVERY AND RESILIENCE PLANS

We've been working hard to make sure that EU efforts to "build back better" after the pandemic include transitioning away from institutional to family and community-based care. As part of the European Expert Group on the Transition from Institutional to Community-Based Care (EEG), Lumos led a taskforce to develop country-specific recommendations for the national recovery and resilience plans of 12 EU Member States, funded by the EU Recovery and Resilience Facility. The final plans, adopted in 2021, include several EEG recommendations, from developing foster care systems to advancing inclusive education.

PROMOTING DEINSTITUTIONALISATION IN EU ACCESSION COUNTRIES

The process of becoming an EU Member State is an arduous one. It's also an opportunity to advance the deinstitutionalisation process in EU accessing countries. We've been advocating that the transition from institutional to family and community-based care should be looked at as one of the criteria for joining the EU. The European Commission has been listening – its 2021 report on North Macedonia highlighted that "the deinstitutionalisation process made real progress and almost all of the children were resettled to community-based care" in the country.

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE SPEAKS OUT AGAINST VOLUNTOURISM

This year brought progress in our campaign against voluntourism, when we were invited to speak in a panel on modern trends in volunteering during a European Economic and Social Committee (EESC) hearing. This led to the EESC setting out a strong position against voluntourism, calling for volunteering to be prohibited where it "could do more harm than good, eg in institutional settings with children or other vulnerable people (such as orphanages)". It's the first time an EU body has taken such a strong stance on this topic, providing an important example for future advocacy.

A TALE OF TWO MARIAS

We first shared the story of Maria and her foster mother Mama Maria in 2019. In 2021 we visited them again at their home in Moldova to see how the family are getting on.

Maria says the best thing about her life with her mother is that she lives “in a family”. In a family, she says, she has warmth, love and joy. “Here, everyone understands you, hears you. You learn here things you haven’t known before. Family is the best.”

Sadly, family is not something all children can take for granted. Maria, who has cerebral palsy, was placed in an orphanage by her biological family. The orphanage was a lonely place where Maria felt sad and angry. At age eight, she couldn’t read, and she struggled to walk.

Then Mama Maria found her. Lumos helped both Marias prepare for life together as a family. We also gave training to her new school so that they could support the family.

Maria is growing more independent every day and finds walking easier. She likes to read, and enjoys playing with her friends. It makes her happy, Maria says, to help her mother by preparing food, and feeding their dog, rabbits and ducks.

As for many families around the world, the isolation brought by the pandemic has been difficult. Lumos worked with the local Social Assistance Department to provide the family with counselling and support from a psychologist.

Maria wishes for all institutions to be closed. “Children deserve good families”, she says, “Children need to be loved, to be understood, to be taken care of. “She is optimistic about the future, she adds, “because I believe, and we all believe, that it should be better”.

For Mama Maria, life with her daughter exceeds all expectation. “This is my child and I wish, as Maria said, **for all children to find their happiness, their home, parents.**”

FIND OUT MORE

In Moldova, we've helped to develop inclusive education and social services and we also provide psychological, social and financial support to families like the two Marias. Find out more about their incredible story in our film:

wearelumos.org/marias



We've been working with the Moldovan government since 2006, helping them redirect funds from institutions into family-based services. Since then, we've helped them develop inclusive education and social services, and the number of children in institutions has fallen by 90%.



**“CHILDREN DESERVE
GOOD FAMILIES. CHILDREN
NEED TO BE LOVED,
TO BE UNDERSTOOD, TO BE
TAKEN CARE OF.”**

INNOVATIVE INTERVENTIONS

Last year, we continued to demonstrate how to keep children and their families together in a wide variety of contexts all over the world. Through our demonstration programmes in Moldova, Haiti and Colombia, and projects we support in Kenya, Ukraine and Jordan, we're identifying and documenting innovative ways to transform care systems. By showing and sharing what we learn, we can make change happen on a larger scale, and transfer knowledge, experience and evidence to other countries and contexts.

In 2021, we had to keep adapting our work through the shifting nature of the pandemic – whether that was switching to online training, providing remote psychological support and counselling to children and young people in Moldova, or responding to the practical needs of vulnerable families during lockdown in Colombia.

After more than a decade of work to transform childcare systems in Eastern Europe, we closed our demonstration programmes in Czechia and Bulgaria. We've supported children and families and worked closely with governments and NGO key partners in both countries to improve national legislation and practices, and promote family and community-based care. The number of children in institutions in Bulgaria has decreased by 97%. In Czechia, we've seen a huge improvement in social service provision. Around 65% of the children under state care are now in foster care, with only 35% in institutions. We will use the learning and evidence from these countries to improve reform around the world and we will continue to work with the State Agency for Child Protection to ensure care system reform continues in Bulgaria.





TRANSFORMING INSTITUTIONAL CARE IN COLOMBIA

In Bogota, Colombia, thanks to grants from Comic Relief US and Latin American Children's Trust, we continued to support our partner Michin's ground-breaking transformation from institutional care facility to community and family-based services provider. This year Michin launched a new foster care programme, recruiting 10 new foster families to care for 23 children. With our support, Michin professionals provided psychosocial support and training to 61 families and 97 children to support them through the process of family reunification. This led to measurable improvements in areas such as children's well-being and family interactions.



ADVOCATING FOR CHILDCARE REFORM IN COLOMBIA

Lumos' work on Boarding School reform continued as we shared the results of the 2019 research in Guaviare and advocated for its recommendations to be adopted. We provided training and technical advice to the government and care professionals to strengthen foster care in Bogotá, Cundinamarca, Antioquia and Tolima – and we continued to support the government and key partners in the region and capture evidence and learning to influence care reform across the wider LAC region.



SUPPORTING EFFECTIVE ASSESSMENT IN JORDAN

Our work in Jordan focuses on care reform for people with disabilities. A fundamental part of this is assessing each individual's situation to make sure they receive the support they need. This year, with our governmental partners and NI-CO, we developed bespoke assessment tools and delivered specialised training for the national teams who will be responsible for individual and family assessments. The 64 participants included social workers, psychologists, physiotherapists, nurses and educators. After the training, assessments began in the first two demonstration institutions, and children and adults with disabilities should begin to move to family and community-based placements during 2022.

IMPROVING SUPPORT FOR UNACCOMPANIED CHILDREN IN BULGARIA

In Bulgaria, we've been working on a project to connect unaccompanied refugee and migrant children with alternative care systems like foster care, and supported independent living. Targeting young people aged 15-18, the project provides tools and training for professionals and aims to raise awareness of what needs to happen to make national alternative care systems accessible and suitable for unaccompanied children and young people. Our work in 2021 included two online Training the Trainers sessions for 39 professionals and government officials and a virtual roundtable discussion sharing experiences with partners from the Netherlands, Italy and Spain.

TRANSFORMING KENYA'S CARE STRATEGY

Kenya finalised the development of its National Care Reform Strategy for Children for 2021-2031. The strategy aims to transform away from an institutional model of care to community and family-based care and will impact an estimated 60,000 children living in institutions or on the streets. We played a major role in developing the strategy and will be supporting the government to implement it. We also supported the governmental review of related policies and legal frameworks, and in preparation of the strategy's launch, we worked with UNICEF under the leadership of the National Council for Children's Services to deliver two regional workshops to over 70 participants across 27 counties.

KNOWLEDGE SHARING IN MOLDOVA

By demonstrating how care systems can be reformed, and sharing what we've learned, we can have an impact far beyond our own programmes. This year, we took part in five international events to share our achievements, challenges and experiences of childcare reform in Moldova. We also carried out around 80 capacity-building activities for over 1,900 specialists in the fields of social protection, education and healthcare, as well as skills training for parents. Specialists who we've trained and supported are now increasingly taking on responsibility for running activities and services.





MEETING CHILDREN'S COMPLEX NEEDS IN MOLDOVA

Providing inclusive education for children with disabilities and special educational needs is a vital part of ending institutionalisation. In 2021 we organised training for more than 200 professionals across Moldova to promote the Lumos Model for Inclusive Education. We also worked with educational specialists to support 142 children with complex needs, providing speech, physical and occupational therapy, and psychological assistance. We paid special attention to children graduating from kindergarten to ease their transition into primary school. We also organised workshops on developing inclusive education programmes and monitoring children's progress.





ANTI-TRAFFICKING RESEARCH IN HAITI

Changing social attitudes is vital to ending orphanage trafficking in Haiti. This year, we published a study looking at attitudes and social norms that enable trafficking and hinder efforts to stop it. The study's findings have been endorsed by the Ministry of Social Affairs and the National Counter-Trafficking Committee, and are already being used to develop an action plan for raising awareness and changing behaviour. We also helped develop national standard operating procedures for identifying and supporting trafficking victims, and developed a web tool mapping services for trafficking victims and those at risk.

TRANSFORMING CARE IN RUSSIA

Drawing on support from Lumos, a coalition of NGOs came together in Russia in 2021 to work for the deinstitutionalisation of children. They set an ambitious goal of making sure that by 2027, no child under the age of four in Russia is placed in an institution. We've been working with partners in the country to promote the transformation of the residential childcare system, working directly with public authorities, NGOs and professionals from the Republic of Karelia to continue supporting the implementation of a deinstitutionalisation plan.

TRAINING IN UKRAINE TO CREATE CARE REFORM

Capacity building is key for quality care reform, and each year we expand our training programmes to include new themes and new target groups. In Ukraine in 2021, we worked with national and regional authorities to run training programmes for 1,512 professionals and decision-makers. In partnership with the Ministry of Education and Science we delivered a comprehensive 130-hour Training of Trainers programme on developing inclusive education for 26 experts from all regions of Ukraine. Along with training, we ran numerous specialist workshops, consultancy sessions and technical assistance meetings. Before the Russian invasion, this expertise was being disseminated in the education system throughout the country.

BOOSTING COMMUNITY-BASED SERVICES IN UKRAINE

Deinstitutionalisation can only happen if communities have services in place to support children and families. In Zhytomyr last year, we supported 20 new communities to develop local plans for transforming care systems – and in 2021, 54 communities in the region (81%) had local plans. The number of social workers had doubled to 167, and 62% of mainstream schools included children with special educational needs. Before the Russian invasion, around 6,300 children and 3,000 families at risk were benefiting from newly created community services in the region

REUNITING CHILDREN WITH FAMILIES IN HAITI

Tracing the family of children living in institutions is a complicated endeavour in Haiti, amid a pandemic and highly challenging security situation. And when the family tracing is successful, there's no guarantee of reunification. We're grateful to have been able to reunify 19 children with their biological families during 2021. Even though the conditions are often far from ideal, family care is invaluable for these children – and we make sure we're on hand to provide children and families with the support they need in the long term.

IMPROVING COMMUNITY CARE PROVISION IN BULGARIA AND CZECHIA

After over a decade of work transforming childcare systems in Eastern Europe, in 2021 Lumos formally closed its demonstration programmes in Czechia and Bulgaria. During this time the number of children in institutions in Bulgaria has reduced by 97%, while in Czechia, 65% of the children under state supervision are now in foster care and only 35% remain in institutions – 10 years ago these figures were reversed.

HELPING CHILDREN IN UKRAINE REGAIN THEIR RIGHT TO A FAMILY

Despite Covid restrictions, in 2021 we continued our efforts to transform residential institutions in Zhytomyr region, Ukraine. In 2021, three institutions began the transformation process, and we completed complex assessments of 330 children and 238 families. So far, 81 children have been reintegrated into their biological families and 23 placed in alternative family-type care. From 2019 to 2021, the number of children in residential care halved, and four institutions closed. Prior to the war in Ukraine, we intended to use evidence of learning from Zhytomyr to influence other regions, such as Mykolaiv, where four institutions had been closed and 220 children deinstitutionalised.

Ukraine Update: since the invasion of Ukraine in March 2022, our work has pivoted to emergency response to support children in institutions and displaced families. For latest updates on this, please visit www.wearelumos.org

BUILDING BONDS IN COLOMBIA

We've been working with the Michín Foundation to transition away from institutional care and provide support for children within families. Together we helped bring Camilo home.

"When I was in the institution, I used to miss my family. I'd cry, I'd wish I was with them," says Camilo. He was seven when he was taken into the care of Michín Foundation, as his mum was no longer able to look after him.

We partnered with Michín to transform the way they work – providing care and support for children in families instead of in institutions. Together, we helped bring Camilo home to live with his father Carlos and his family.

"Now I've returned home, I live with my great-grandma, my dad, my little siblings, and I enjoy being with them, I feel better," says Camilo. He enjoys crafts and likes making things to decorate his bedroom now that he has one of his own. "I have a good place to sleep. I eat well. What I like most is that my grandma, when she has errands to do, always calls me: 'Cami, let's go!', and that makes me happy."

With our support, this family has been able to create a loving and supportive home. Social worker Nathaly explains that the new bond between father and son has "changed the history of this family."

"What I want the most is for my family to be well, to be economically stable," says Carlos. "I want to bring them what they need. Even, sooner or later, buy a modest house."

Camilo has hopes for the future too. "When I grow up, I want to be a firefighter," he says. "I want to make some friends so I can put out fires with them, because I want to rescue people who are in danger."

FIND OUT MORE

In Colombia, we've been working with the Michín Foundation to provide support for children within families. Thanks to your support, we helped bring Camilo home to live with his father Carlos, great-grandmother Isabel, stepmother Miriam, and younger half-siblings. Watch Camilo's story at:

wearelumos.org/camilo



In Bogotá, we're supporting our partner Michín's ground-breaking transformation from institutional facility to community care provider. They now have a licence to run a foster care programme, and professionals are able to provide psychosocial support to families and children through the process of family reunification.



**“NOW I’VE RETURNED HOME,
I LIVE WITH MY GREAT-
GRANDMA, MY DAD, MY LITTLE
SIBLINGS, AND I ENJOY BEING
WITH THEM, I FEEL BETTER.”**



PARTNERSHIPS AND LEARNING

Over the years, Lumos and partners have built up a wealth of knowledge and experience in care reform in a wide variety of contexts. We're committed to sharing what we've learned with others. This includes providing technical support, evidence and guidance to help design and run better care systems, and organising learning exchanges to share experiences and challenges.

With various partners, we're building a community for people working in care reform, providing online tools, training resources, and organising peer-to-peer opportunities to learn from each other. We're part of several global and regional networks focusing on different aspects of child protection, children's rights and alternative care.

In 2021, the pandemic continued to have an impact on our ways of working, and we had to be flexible and creative. Although the lack of face-to-face contact was challenging, a shift to remote and virtual events also brought opportunities. For instance, the fourth Biennial International Conference on Alternative Care for Children in Asia (BICON), which we played a key role in organising, had to be rearranged as an online event – which ultimately enabled more people from different countries to participate.

Similarly, as part of a course we co-developed on transforming care in Latin America and the Caribbean, we hosted an online event that was recorded and edited into a training video. This enabled care leavers from several countries to share their perspectives with learners.



BUILDING EXPERTISE IN LATIN AMERICA AND THE CARIBBEAN

Momentum is building to transform care systems in Latin America and the Caribbean, but progress has been hindered by a lack of knowhow and training. With our partners at the Inter-American Children's Institute (IIN-OAS), we developed an online training course specially tailored to the region. The new eight-week course features articles, video lectures, case studies, and quizzes, developed together with regional experts and young people with lived experience of care. The course is presented by members of the Latin American Care Leavers Network, and emphasises the importance of children and young people's participation for effective reform.

ADVANCING COLLABORATION IN AFRICA

As care reform begins to gather pace in Africa, we've been involved in various networks seeking to share knowhow and build capacity at national, regional and continental level. We joined the newly established Working Group on Children Without Parental Care in Africa, the first of its kind on the continent, where we're co-leading a workstream on transforming care. We also took a lead role in preparing a report on alternative care in Africa – the first continent-wide submission – in preparation for the UN Day of General Discussion, and contributed to a continental study on children without parental care.

RAISING YOUNG VOICES IN LATIN AMERICA

In Latin America and the Caribbean, Lumos continues to fight for the right of children to grow up in loving families – including through the Global Movement for Children (MMI-LAC), a coalition dedicated to children's rights. This year, we helped establish a Latin American Hub, including MMI-LAC members and other strategic organisations in the region. Its work this year included collaborating with young people from the Latin American Care Leavers Network to develop recommendations for the UN Day of General Discussion, via a virtual event that brought together more than 250 participants.

STRENGTHENING BEST PRACTICE AND PARTICIPATION ACROSS ASIA

We played a key role in organising BICON, the leading conference on the rights of children and young people without parental care in Asia. Held as a virtual event in December 2021, it brought together practitioners, policymakers, academics and young people in an effort to catalyse care reform at the highest levels. Over two days, 390 attendees and 179 organisations from across the globe participated in 23 interactive workshops, plenaries and panel discussions, and 48 expert speakers and panellists joined from 19 countries to share experiences, challenges and promising practices.

SUPPORTING UNACCOMPANIED AND SEPARATED CHILDREN

Children need love and care in every situation – which is why we're an active member of the Alliance for Child Protection in Humanitarian Action, which facilitates collaboration between agencies working on child protection in humanitarian contexts. This has provided opportunities to support the care reform agenda in humanitarian work and contribute to the design of family and community-based care solutions for unaccompanied migrant and refugee children. We've also contributed to the Alliance's revised technical guidance and training on subjects including alternative care, unaccompanied and separated children, and family tracing and reunification.

BRIDGING EVIDENCE GAPS IN LATIN AMERICA

In May, Lumos and partners released a report highlighting the key factors leading to the institutionalisation of children in Latin America and the Caribbean, and the need for reliable, up-to-date data on the issue. At the launch, we hosted a panel discussion with regional experts to share their perspectives on challenges and opportunities for care reform. The event brought together more than 130 participants. It was a great opportunity to highlight the importance of transforming care and establishing strategic partnerships in the region, where at least 187,000 children live in institutions.





REUNITING FAMILIES

May 2022 update: After the Russian invasion of Ukraine, Viktor and Veronika are accessing distance learning, having received tablets during the Covid-19 pandemic. The family is included in Lumos' plans for providing emergency humanitarian aid, and our staff members are in constant communication with the local authority and the family's social worker, who are keeping us informed of the family's situation and needs.

We've been working with Ukrainian authorities to ensure that families like Viktor and Veronika's have the support they need to thrive together at home.

When Lumos met Viktor and Veronika, the siblings had been in a boarding school for several years. Their family was struggling financially and didn't have access to the vital support services they needed to take care of them at home.

The children were miserable at the boarding school and wanted to return home to their parents. Lumos worked with the local authority to help the family and to bring Viktor and Veronika safely home. Their father now has a full-time job and can support the family.

Their mother is delighted that the family can now enjoy life together. "I'm very happy that my children are with me and I can see them every day," she says.

Viktor now has access to a special needs teacher and the support he needs to thrive at his community school. Both children have friends and enjoy several hobbies. In the boarding school, Viktor could not speak in full sentences – now he talks joyfully about playing football and spending time with the family's horse, Masha.

Veronika is already thinking about what profession she wants to have when she grows up. Together at home, the family can now look towards the future.

"I hardly saw my parents before," Veronika says. "Now, I see them very often!"

Prior to the invasion of Ukraine Lumos was supporting the authorities, providing training to over 3,000 decision-makers and professionals. Since 2013, the number of institutionalised children in the demonstration region has reduced by 48%.

FIND OUT MORE

In countries like Ukraine, with a high number of children in institutions and an institutional system often viewed as the only solution, change can only happen if communities have services in place to support children and families in need. But we're helping to prove that it's possible.

Watch Viktor and Veronika's story at: wearelumos.org/ukraine

THANK YOU FOR YOUR SUPPORT

LUMOS DONORS

We couldn't achieve our mission without the dedicated support of all our donors.

We're grateful to the following organisations and individuals who, alongside many other generous supporters, including private philanthropists and royalty donors, have provided funding during the last year:

**Carlsen Verlag GmbH • Comic Relief UK • Comic Relief USA, Inc.
Command Web/Bind-Rite • Cushman & Wakefield • European Commission
Farrer & Co LLP • GHR Foundation • Grafica Veneta • Hackett UK • Hackett US
Karl Kahane Foundation • Latin American Children's Trust • Lindenmeyr
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John Petry • Ken Kleinberg • Kevin Kirk • Maria Soler Laguarda • Michael Schoen • Mina Lima
Richard Curtis • Sabrina Johnson • Sigrid Kraus • Uerfany Kuehner**

Our work wouldn't be possible without the generosity of others, and we're grateful to all of our supporters for their contributions in 2021.





PRINCIPAL RISKS

Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission Guidance. This register assesses the likelihood and impact of key corporate risks across the following areas: governance; operations; finance; programmes; external and safeguarding. The register is reviewed and updated quarterly by risk owners and the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is a dedicated risk session with the Board once a year. Additional risk sessions are included in Board meetings where appropriate.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

In 2021 Lumos continued to update risk management arrangements and strengthen internal processes. Lumos continues to build upon good practice in the areas of security and safeguarding. Particular attention has been paid to the additional risks associated with the phase out of Haiti operations. With the outbreak of the war in Ukraine, in Q1 2022 Lumos adapted and enhanced its programming and associated risk management in Ukraine and Moldova to respond to the crisis. Lumos will take further steps to review and update its internal risk management policy following a number of personnel changes. It will take further action in Q3 and Q4 to strengthen risk management across the organisation, with clear inductions for senior leaders and with refresher risk training for all staff as part of the new project management toolkit.

The charity has identified the following six key risk areas from its risk register, and continues to review them regularly as part of its approach to risk management:

1) Operational risks: reduced staff capacity – following the restructure process, increased turnover, depleted skills, and reallocation of resources to the Ukraine emergency response, the risk to delivery of critical work and a slow transition process.

Mitigating actions: (i) focus on recruitment of permanent and project roles; (ii) senior leadership to ensure work plans are reviewed and updated with clarity on the work to be prioritised and deprioritised, and skills required; (iii) greater focus on communication, connectedness, and the organisation culture.

Recent actions: (i) Recruitment plans in progress for Ukraine project roles, and other key vacant roles. (ii) Review and prioritisation of Programme work streams in line with external commitments; (iii) Plan for Head Office to re-open alongside enhanced communication plan for intra-office connection.

2) Operational risks: the risks associated with war in Ukraine and danger of expanded warzone – the impact on security of staff and consultants, and on programme work, from war, political unrest and instability in countries where Lumos operates.

Mitigating actions: (i) regular monitoring and communication with the team via satellite phone (ii) ongoing security assessments along with contingency plans; (iii) procedures agreed for evacuation of staff following escalation, and (iv) recruitment of consultant security expertise, staff training, and review of crisis team management protocols.

Recent actions: (i) regular monitoring and crisis management team interposition; (ii) rapid analysis of changing circumstances and adaptation of programming; and (iii) psychological support and regular disbursement of funds.

3) Financial risks: balancing income and expenditure – the risk that income will not cover expenditure with the result that the charity's reserves are depleted and its programme work and staff are affected (this risk was exacerbated by the COVID-19 pandemic and reduced fundraising opportunities).

Mitigating actions: (i) close collaboration between the Finance and Fundraising functions in income monitoring and forecasting; (ii) robust and regular oversight of transition plan and monitoring of income, expenditure and financial planning, including analysis by external consultant; (iii) greater scrutiny of and support to fundraising plans and performance by senior management and Board, (iv) diversification of income sources; (v) contingency planning around events fundraising in view of COVID-19, (vi) adjustment of operating model towards more flexible workforce for project work.

Recent action: (i) full financial review of systems, skills and processes, resulting in a list of priority actions; (ii) appointments of several consultants to strengthen key functions; (iii) senior appointments (Legal Secretary, Director and Deputy Director of Programmes, Deputy Director of Fundraising) to mature the fundraising strategy and performance, and strengthen programme planning and delivery.

4) Programmatic risks: failure to plan and carefully deliver programmatic transitions, , (phasing out or scaling up), to ensure a safe and thorough entry or exit from challenging operating environments, with risks to the charity's reputation, finances and wider programme work.

Mitigating actions: (i) : (i) detailed and complex closure planning; (ii) monitoring and regular reporting to the task force, senior leadership and Board; (iii) strong internal and external communication with key stakeholders and donors; and (iv) documentation of the transition process.

Recent action: close monitoring and identification of financial and programmatic risks.

5) External risks: negative media interest in the charity as a result of its association with a partner organisation, donor or other key stakeholder(s), related to an incident which is not connected with Lumos or its work, with reputational and potentially financial implications to the charity.

Mitigating actions: (i) due diligence on charity partners with associated compliance, monitoring and reporting processes (ii) specialist communications and legal support (iii) crisis response protocols.

Recent actions: (i) recruited interim support to ensure reporting to Executive Leadership Team and Board; (ii) strengthening of processes and training.

6) Safeguarding risks: the risk of harm to children and adults at risk through the charity's programme work with related risks to the charity's reputation and finances.

Mitigating actions: (i) improvements to safeguarding due diligence guidance and protocols; (ii) implementation of the global safeguarding policy and related reporting protocols with associated programme of staff refresher training; and (iii) strengthening of integration of safeguarding into programme design and reporting.

Recent actions: (i) targeted safeguarding and PSEA support (Protection from Sexual Exploitation and Abuse) to support safeguarding within the work in Ukraine; (ii) embedding safeguarding in staff and associates through objectives and processes; and (iii) ongoing programme of staff training and capacity building through designated safeguarding.

7) Operational risks: the risk of cyber-security fraud/corruption through ineffective policy implementation or a data security incident with related risks to finances, reputation, safeguarding and operations and therefore programmes.

Mitigating actions: (i) strengthening of disaster recovery plan including commissioning a penetration test and addressing any issues; (ii) reviewing policies and staff training and enhance awareness of the policies; (iii) update delegated authorities schedule and key financial policies; and (iv) strengthening of processes and capacity in relevant roles.

Recent actions: (i) policies updated; (ii) training rolled out; (iii) third party review with recommendations; and (iv) ongoing enhancement of cyber-security protocols and processes.

FINANCIAL REVIEW

A summary of the year's results can be found on page 50 of the attached accounts.

Lumos financial results summary	2021	2020
	£'000	£'000
Total income	4,944	5,518
Funds from individual giving	1,178	1,007
Grant income	1,695	2,703
Income from royalties	1,820	1,680
Income from trading activities	172	-
Investment and other income	79	128
Total expenditure	8,182	9,925
Charitable activities	6,735	8,138
Cost of raising funds	1,576	1,787
Release of lease incentive accrual	(129)	-
Other gains/(losses)	113	(363)
Net Funds movement	(3,125)	(4,770)
Reserves carried forward	3,606	6,731
Unrestricted	3,246	6,490
Restricted	360	241

During 2020, Lumos undertook a significant change programme, including the publication of a new strategy, a restructuring of its operations and a reduction in headcount. Lumos senior leadership and the Board agreed a strategy to achieve a balanced budget, without letting the reserves fall below £1.5m. This continues to be our strategy. In Spring 2022, Lumos undertook further restructuring to better align our resources with our strategy. Our aim is to maintain a sustainable platform for our future operations and overall strategy being pursued and phased implementation in line with resources.

Investment policy and performance

Lumos' funds available for investment are managed by Close Brothers Asset Management (CBAM), who have been carefully selected by the Board and mandated to manage such funds to protect the value of the funds as they are drawn down to fund the planned growth. This is done through investment in a diversified portfolio of equities, bonds and alternative assets. CBAM's positioning and performance are formally reviewed by the Board's Finance & Risk Committee quarterly. The funds held by CBAM are managed in accordance with the charity's Investment Mandate, which is set by the Trustees.

At year end, funds managed by CBAM on behalf of Lumos amounted to £1,646k. Having reduced the overall risk of the remaining portfolio in the previous year, 2021 delivered a healthy absolute total return of 7.5%, comfortably ahead of the peer group comparator.

The performance was, buoyed particularly by exposures to the US equity market (including strongly performing large cap technology companies) and by good positive contributions from a variety of Alternatives (including property and renewable energy infrastructure holdings). The portfolio also benefitted from a relatively short duration and low bond exposure in a year which saw UK government bonds decline.

Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2021, there were no fundraising complaints.

Our income is at risk due to fluctuations in the economy, book royalty payments donated by our founder, regulatory changes, shifting donor priorities and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

Reserves policy and going concern

The Trustees balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The charity holds sufficient unrestricted funds for the following purposes:

To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth. In addition to fundraising risk, there are also risks of stock market variations, which may negatively impact the value of the investment portfolio and future levels of return.

Unrestricted funds are used to manage the negative cash flow during the year, as Lumos typically receives the majority of its income in the final quarter.

To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

To support working capital funding requirements

In a number of Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of income in the second half of the year which has an impact on the cash flows of the charity.

To help to protect Lumos work beyond the current year

In the event of a sustained downturn in income, Lumos would require a period of time to make adjustments to programmes in order to minimise any related impacts to children. This includes the established country demonstration programmes in Europe, Latin America and the Caribbean programmes in Haiti and Colombia, and technical support that is provided to a number of countries around the world, where Lumos does not have a physical presence.

Finally, Lumos retains funds to maintain its 100% pledge to the public, so that no portion of their donation is used to fund overhead costs.

COVID-19 Implications

Significant events-based fundraising activities in 2021 were cancelled and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2021 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

Funds

Our target base level of general reserve is £1.5m and the ratio calculated is equivalent to approximately 3 months operating expenses.

At 31 December 2021, Lumos had total funds of £3.6m (2020: £6.7m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2021 is £2.9m (2020: £5.3m).

Restricted funds (£0.4m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Unrestricted funds (£3.2m)

Conclusion

Given the level of reserves and the prudent steps taken in 2021 and Spring 2022 to align our operations and resources to our programmatic and financial strategy means the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in December 2021. Lumos' objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.

- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: all children grow up in safe and loving families; (ii) mission: to fight for every child's right to a family, by transforming care systems around the world.

Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. Friends of Lumos USA Ltd is a dual qualified charity that permits individuals to obtain tax relief in the United States and also in the United Kingdom, thus enabling U.S. citizens and green card holders resident in the United Kingdom to support Lumos' objectives in a tax-efficient manner.

The Lumos Foundation USA Inc. statement of financial activities results for 2021 are a surplus of £701k. During the year, Friends of Lumos USA Ltd was effectively dormant and remains under review.

Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 66.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. Lumos currently has nine Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2021, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

A system of Trustee appraisal operates via the People Committee. A periodic Board skills audit is carried out to determine the range of skills and experience which would be required to fill existing gaps. The last audit was Q4 2020.

Organisation

The Chief Executive Officer and Executive Leadership Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos' work and regularly reporting progress to the Board.

Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

Grant-making policy

Whilst Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos' standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos' procedures.

Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. The Trustees have appointed investment managers, Close Brothers, to manage Lumos' investment funds. Investment performance is managed by the Finance and Risk Committee.

Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 11 to the accounts.

The pay of the senior staff is reviewed annually, taking into consideration market conditions and sector averages for charities of a similar size. If recruitment has proven difficult, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.

Carol Copland, Chair of Trustees
Lumos Foundation

7th July 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMOS FOUNDATION

Opinion

We have audited the financial statements of Lumos Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, consolidated balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company/group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 46, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

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

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

Date: 11th October 2022

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000	2020 Total Funds £'000
Income from:					
Royalties		1,820	-	1,820	1,680
Donations and Gift Aid	1	1,178	-	1,178	1,007
Investment income		35	-	35	99
Income from Trading activities		172	-	172	-
Other income		28	16	44	29
Charitable activities					
Grant income	2,17	43	1,652	1,695	2,703
Total income		3,276	1,668	4,944	5,518
Expenditure on:					
Raising funds	4				
Raising funds and donor communication costs		1,562	-	1,562	1,757
Investment management costs		14	-	14	30
Release of lease incentive		(129)	-	(129)	-
Charitable activities	5	5,186	1,549	6,735	8,138
Total expenditure		6,633	1,549	8,182	9,925
Net expenditure		(3,357)	119	(3,238)	(4,407)
Other recognised gains/(losses):					
Net gain/(loss) on investments	14	91	-	91	(301)
Exchange rate gains/(losses)		22	-	22	(62)
Net movement in funds		(3,244)	119	(3,125)	(4,770)
Reconciliation of funds:					
Total funds brought forward		6,490	241	6,731	11,501
Total funds carried forward	18	3,246	360	3,606	6,731

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

Consolidated balance sheets as at 31 December 2021

	Notes	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
Fixed assets:					
Tangible assets	13	235	235	1,038	1,038
Intangible assets	13	62	62	103	103
Investments	14	1,645	1,645	1,536	1,536
		1,942	1,942	2,677	2,677
Current assets and liabilities:					
Debtors	15	1,740	1,580	2,533	2,533
Short-term deposit		9	-	49	-
Cash at bank and in hand		690	516	2,602	2,544
Creditors:		2,439	2,096		
Amounts falling due within one year	16	(775)	(2,702)	(1,286)	(2,647)
Net current assets		1,664	(606)	4,054	2,430
Net assets		3,606	1,336	6,731	5,107
Funds:					
Restricted funds	17	360	345	241	226
Unrestricted funds	18	3,246	991	6,490	4,881
Total funds		3,606	1,336	6,731	5,107

The Lumos Foundation charity statement of financial activities results for 2021: £ 3,768k deficit (2020: £4,832k deficit).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

Carol Copland
Trustee

Nitin Pasricha
Trustee

Date: 7 July 2022

Lumos Foundation
Registered Company Number: 05611912 (England and Wales)

Consolidated statement of cash flows for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,853)	(4,969)
Cash flows from investing activities:			
Dividends and interest from investments		35	99
Purchase of tangible fixed assets		(25)	-
Proceeds from the disposal of investments		101	2,943
Purchase of investments		(103)	(463)
Net cash provided by investing activities		8	2,579
Change in cash and cash equivalents in the year		(1,845)	(2,390)
Cash and cash equivalents at 1 January 2021	B	2,747	5,127
Change in cash and cash equivalents due to exchange rate movements		(91)	10
Cash and cash equivalents at 31 December 2021	B	811	2,747

Notes to the statement of cash flows for the year to 31 December 2021

A) Reconciliation of net movement in funds to net cash used in operating activities

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	(3,125)	(4,770)
Adjustments for:		
Depreciation charge	209	221
Exchange rate loss/(gain)	91	(10)
(Gains)/losses on investments	(91)	301
Dividends and interest from investments	(35)	(99)
Grant of fixed assets	660	-
Decrease/(increase) in debtors	949	(755)
(Decrease)/increase in creditors	(511)	143
Net cash used in operating activities	(1,853)	(4,969)

B) Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	690	2,602
Cash held as current asset short-term deposits	9	49
Cash held by investment managers	112	96
Total cash and cash equivalents	811	2,747

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The principle accounting policies, which have been applied consistently in the year, are set-out below.

Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos name and trademark that allows Lumos' strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide.

The sole member of Friends of Lumos USA Ltd, and thus its parent entity, is Lumos Foundation USA Inc.

Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation. Its sole member and thus its parent company is Lumos Foundation.

Group accounts are therefore prepared consolidating Lumos Foundation USA Inc. and Lumos Foundation Operations Limited.

Accounting estimates and areas of judgement

In the application of the Lumos Foundations accounting policies trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees and management, the following are the most significant accounting estimates and areas of judgement:

- The judgement that, subject to evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders.
- The judgement that there is no provision required for disallowed expenditure under donor funding agreements.
- Decisions around the recoverability of amounts included in debtors connected to royalties or other debtors.
- Judgements relating to the decision as to when a liability should be recognised in relation to grants payable to a third party
- The value of any accruals included in the financial statements
- The basis for allocating costs between activities as disclosed in the financial statements

Going concern

The COVID-19 pandemic has had a significant, immediate impact on the organisation's operations and, at the present time, it is still not clear how long the current circumstances are likely to last and what the long term impact will be. In many programmes, expenditure has been reduced through limitations in operations as a consequence of COVID-19 restrictions. This reduction in expenditure has restricted income in our grant and statutory funded programmes.

Some staff were furloughed and salary costs have been supported by government assisted programmes both in the United Kingdom, the United States of America and Belgium. Since April 2021, no staff have been furloughed.

Lumos has taken steps to reduce non-essential expenditure.

Significant events-based fundraising activities in 2021 were cancelled and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2021 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

At 31 December 2021, Lumos had total funds of £3.6m (2020: £6.7m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2021 is £2.9m (2020: £5.3m).

Given the level of reserves and the prudent steps taken in 2021 and Spring 2022 to align our operations and resources to our programmatic and financial strategy, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

Royalty income is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

Investment income dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

Investments: listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

Fundraising and publicity costs: expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

Investment management costs are recognised as they are payable to the investment manager.

Charitable activities are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

Support costs are those costs incurred in connection with the management and administration of the charitable company. They have been allocated on the following bases: Administration, legal and compliance, human resources, information systems and office services costs are allocated based on head count; finance costs are allocated based on expenditure.

Pension costs contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

Grant liabilities are recognised once the charity has a constructive or legal obligation to make a payment.

Tangible and intangible fixed assets: the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	30 to 50 years
Office equipment	5 to 10 years
Fixtures and fittings	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term until the break clause
Motor vehicles	7 years
Software	5 years

Foreign currencies: monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Lease commitments: rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

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

Current asset – short-term deposit: current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

Cash at bank and in hand includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the financial statements

1) Donations and gift aid				
	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Donations	884	-	884	557
Gift aid	4	-	4	20
Gift in kind	290	-	290	430
Total	1,178	-	1,178	1,007

Gift in kind comprises of legal support for the group and the provision of office space for Lumos USA.

2) Grant income				
	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Trusts and foundations	34	562	596	1,273
Changing the Way We Care	-	74	74	195
United States Agency for International Development (USAID)	-	999	999	846
Grants from other governments and public bodies	9	-	9	290
Other grants	-	17	17	99
Total	43	1,652	1,695	2,703

3) Subsidiaries

The activities of Lumos Foundation USA Inc. (557 Broadway, New York NY 10012, USA, IRS Reference number 47-2301085) and its subsidiary Friends of Lumos USA Ltd (Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK, charity registration number 1170023, UK (England and Wales) company registration number 09502092) are consolidated into the accounts of Lumos Foundation. The net income for Friends of Lumos USA Ltd of £nil is included within the consolidated summary financial performance of Lumos Foundation USA Inc. below:

	2021	2020
	£'000	£'000
Income	1,553	1,615
Expenditure	(851)	(2,036)
Surplus/(deficit)	702	(421)
Opening reserves	1,589	2,056
Gain/(loss) on foreign exchange	25	(46)
Opening reserves after gain/loss on foreign exchange	1,614	2,010
Closing reserves	2,316	1,589
Reconciliation of funds		
Current assets	2,571	1,972
Current liabilities	(255)	(383)
Net current assets	2,316	1,589

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £640k (2020: £953k) to cover administration and overhead costs in 2021.

Lumos Foundation provided donated services of £19k (2020: £nil) to Lumos Foundation USA Inc.

At the year-end an amount of £2,218k (2020: £1,439k) was due to Lumos Foundation USA Inc. and Friends of Lumos USA Ltd owed to Lumos Foundation £15k (2020: £12k).

The activities of Lumos Foundation Operations Limited (Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK, company registration number 12369753) are consolidated into the accounts of Lumos Foundation. Activities started during 2021.

The summary financial performance of Lumos Foundation Operations Limited is below:

	2021
	£'000
Income	184
Expenditure	(12)
Gift Aid to Lumos Foundation	172
Position for the year	-
Closing reserves	-
Reconciliation of funds	
Current assets	187
Current liabilities	(187)
Net current assets	-

During the year, Lumos Foundation charged administrative expenses to Lumos Foundation Operations Limited totalling £12k. At the year-end an amount of £187k was due to Lumos Foundation, £172k of which related to the Gift Aid payable for 2021.

4) Raising funds		
	2021 Total Funds	2020 Total Funds
	£'000	£'000
Raising funds and donor communication		
Fundraising costs	1,130	1,488
Donor communication costs	41	45
Support costs (note 8)	391	224
	1,562	1,757
Investment management fees	14	30
Total	1,576	1,787

5) Charitable activities				
	Activities Undertaken Directly	Support Costs (note 7)	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Deinstitutionalisation in Europe	1,481	504	1,985	2,287
Deinstitutionalisation In LAC	1,752	644	2,396	2,508
Global Deinstitutionalisation	-	1	1	3
Global Training	568	120	688	1,196
Advocacy, Campaigns and Research	1,202	463	1,665	2,144
Total	5,003	1,732	6,735	8,138

6) Grants payable		
	Grants to institutions 2021 Total	Grants to institutions 2020 Total
	£'000	£'000
Catholic Relief Services	219	251
Norwegian Refugee Council	-	191
International Association of Women Judges	196	111
Save the Children Haiti	43	90
Innovative Humanitarian Solutions	-	47
Moldova – Small Group Homes	660	-
Other	4	16
Total	1,122	706

Lumos made grants to Catholic Relief Services and International Association of Women Judges as part of the Building Enduring Systems to end Trafficking project in Haiti, which delivers transformative progress on ending human trafficking, with a focus on child trafficking.

Lumos made grants to Save the Children to support Lumos Haiti's deinstitutional activities in Haiti.

Five Small Group Homes in Moldova were donated to local authorities. . Please see note 13 Intangible and Tangible Fixed Assets for more information.

During 2020, grants were paid to Norwegian Refugee Council for the implementation of a family based care project in Ethiopia, Tigray refugee camps.

7) Support costs				
	Fundraising & Donor Communication (note 4)	Charitable Activities (note 5)	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Admin, Legal and Compliance	180	77	257	399
Finance	78	420	498	403
Human Resources	22	362	384	422
Information Technology	8	142	150	186
Office Services	103	731	834	851
Total	391	1,732	2,123	2,261

The above costs have been apportioned between activities based on an estimate of time spent by staff on them. .
The increase in support costs for Finance is caused by exchange losses suffered during 2021 by the charity.

8) Governance costs		
	2021	2020
	£'000	£'000
Legal and Professional fees	84	105
Other costs	1	5
Total	85	110

9) Net income for the year

Net income for the year is stated after charging:

	2021 £'000	2020 £'000
Group Auditor's remuneration		
Audit services – Group	17	19
Audit services – Friends of Lumos USA	3	3
Audit services – Lumos Foundation Operations Limited	3	-
Advisory services	2	19
Payroll and tax services	8	16
Lumos USA Auditor's remuneration		
Audit services – Lumos USA	9	9
Other services	1	1
Depreciation of owned fixed assets	208	221
Operating lease rentals		
Land and building	223	276

10) Staff costs and remuneration of key management personnel

The staff headcount numbers for the period are as follows:

	2021 No.	2020 No.
Management and administrative staff	34	34
Fundraising and donor communication staff	12	15
Programmes staff	72	93
Operating lease rentals	118	142

Staff costs relating to the above persons are as follows:

	2021 £'000	2020 £'000
Wages and salaries	3,704	5,182
Social security costs	479	632
Pension costs	177	241
	4,360	6,055
Agency staff	27	59
Total	4,387	6,114

The number of employees whose emoluments during the year exceeded £60,000 were:

	2021 No.	2020 No.
£60,001–£70,000	5	6
£70,001 - £80,000	2	3
£80,001- £90,000	3	3
£90,001- £100,000	2	1
£100,001-£110,000	-	1
£110,001 - £120,000	-	2
£140,001 - £150,000	-	1
£170,001- £180,000	-	1
£190,001– £200,000	-	1
£220,001 - £230,000	-	1
Total	12	20

Pension costs totalling £45k (2020: £139k) were paid in respect of the above employees.

The key management personnel of the Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £696k (2020: £1,141k).

During 2019, there was a planned expansion in senior staff operations in the United States where salaries and health care contributions are notably higher than in the UK, which was reflected in the 2020 results. During the year the trustees decided to reduce the number of such staff as part of an organisational restructure and this is reflected in the 2021 results.

During 2021, termination payments were paid of £37k (2020: £250k). There was an increase for 2020 because of the effects of the COVID-19 pandemic and as a result of the restructure, which reduced the number of US and UK senior staff.

11) Trustees expenses and remuneration

During 2021, the charity reimbursed the Blair Partnership £159 (inclusive of VAT) for the cost of refreshments for an event incurred by the charity but settled by the Blair Partnership. The amount was settled after year end. During 2020, the charity reimbursed the Blair Partnership £89k (inclusive of VAT) for the cost of professional services incurred by the charity but settled by the Blair Partnership. The amount was settled after the 2020 year end. Neil Blair, who resigned as Chair on 8 December 2021, is the founding partner of the Blair Partnership.

During 2021, the charity received pro bono due diligence services from GPW Ltd to the value of £3,500 (2020: nil). The Chair's husband is a shareholder and Managing Partner of GPW Ltd.

In 2021, Lumos Foundation received royalty income totalling £365k (2020: £559k) from Pottermore, of which Neil Blair is a Director. £87k of this amount was outstanding at 31 December 2021 (2020: £48k). During 2021 Lumos Foundation also received a £50k donation from the Jigsaw Network C.I.O, of which Neil Blair is a Trustee (2020: £nil).

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2020: £nil).

Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £nil (2020: £nil).

12) Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities

13) Tangible and intangible fixed assets of Charity and Group

	Intangible Fixed Assets	Tangible Fixed Assets				Tangible and Intangible Fixed Assets
	Software	Land and Buildings	Leasehold Improvements	Furniture, Fittings and Equipment	Motor Vehicles	
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2021	231	862	376	396	47	1,912
Additions	5	-	-	20	-	25
Disposal	-	(737)	-	(68)	(22)	(827)
At 31 December 2021	236	125	376	348	25	1,110
Depreciation						
At 1 January 2021	128	77	219	310	37	771
Charge for the year	46	14	82	63	4	209
Disposal	-	(77)	-	(68)	(22)	(167)
At 31 December 2021	174	14	301	305	19	813
Net book value						
At 31 December 2021	62	111	75	43	6	297
At 31 December 2020	103	785	157	86	10	1,141

13) Tangible and intangible fixed assets of Charity and Group (continued)

Lumos Foundation Land and Buildings' opening position represents six properties in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the assets to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding. The grant of five of the six properties took place in 2021 but the grant of the sixth had not happened at the time of the accounts being signed and is planned for 2023.

14) Investments of Charity and Group

	2021	2020
	£'000	£'000
Listed investments		
Market value at 1 January	1,440	4,221
Additions at cost	103	463
Disposals proceeds	(101)	(2,943)
Net investment gains/(losses)	91	(301)
Market value at 31 December	1,533	1,440
Cash held by investment managers for reinvestment	112	96
Total	1,645	1,536

Listed investments held at 31 December 2021 were managed on behalf of Lumos by Close Brothers and comprised the following:

	2021	2020
	£'000	£'000
UK fixed interest	628	726
UK equity	154	148
Overseas equity	560	422
Commodities	22	22
Property	37	19
Alternatives	116	103
Multi asset	16	-
Market value at 31 December	1,533	1,440
Cost of listed investments at 31 December	1,300	1,296

15) Debtors

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£'000	£'000	£'000	£'000
Other debtors	110	110	114	114
Prepayments	122	115	87	87
Accrued royalty income	937	937	886	886
Other accrued income	571	418	1,602	1,446
Total	1,740	1,580	2,689	2,533

16) Creditors: amounts falling due within one year

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£'000	£'000	£'000	£'000
Trade creditors	162	156	366	348
Taxation and social security	4	4	10	10
Accruals	262	132	424	284
Amounts due to subsidiary undertakings	-	2,063	-	1,546
Other creditors	291	291	486	459
Deferred income	56	56	-	-
Total	775	2,702	1,286	2,647

17) Restricted funds

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£'000	£'000	£'000	£'000
Trusts and foundations	202	562	425	339
United States Agency for International Development (USAID) – BEST	-	999	999	-
Changing the Way We Care	-	74	74	-
Other	39	33	51	21
Total	241	1,668	1,549	360

	At 1 Jan 2020	Income	Expenditure	At 31 Dec 2020
	£'000	£'000	£'000	£'000
Trusts and foundations	28	438	264	202
Deinstitutionalisation in LAC	187	20	207	-
United States Agency for International Development (USAID) – BEST	-	846	846	-
Changing the Way We Care	-	195	195	-
Paycheck Protection Program (PPP)	-	138	138	-
Other	35	67	63	39
Total	250	1,704	1,713	241

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

- Trusts and foundations**

Programmes receiving funds from trusts and foundations mainly comprise of the following:

UBS Optimus Foundation is supporting important research work that seeks to better understand and raise awareness of the links between education and child institutionalisation, as part of Lumos' work in tackling the drivers of family separation. During 2021, the programme received income of £152k and spent nil, carrying forward £152k (2020: £nil).

17) Restricted funds (continued)

Comic Relief USA and Latin American Children's Trust are funding Lumos' work in Colombia to influence and support a critical shift from reliance on residential institutions, to the provision of services which enable children to live safely in families and benefit from community-based care. During 2021, the programme received income of £157k (2020: £132k) and spent £161k (2020: £80k) carrying forward to the following year £48k (2020: £52k).

The Karl Kahane Foundation funded important child and youth participation work in Ukraine, Moldova, Bulgaria and Czech Republic, supporting youth advocates in building their life skills and empowering them to influence decisions and bring about change on key issues that affect their lives. During 2021, the programme received income of £85k (2020: £91k) and spent £172k (2020: £4k), carrying forward nil (2020: £87k).

- **United States Agency for International Development (USAID) - BEST**

USAID grant to Lumos funds towards the Building Enduring Systems to end Trafficking project in Haiti, to deliver transformative progress on ending human trafficking, with a focus on child trafficking.

- **Changing the Way We Care**

CTWWC is a consortium of Catholic Relief Services, Lumos and Maestral International delivering a programme designed to move the needle on care reform through demonstration projects in three countries alongside global campaigning and advocacy

18) Analysis of net assets between funds of Group and Charity

The net assets of the Group analysed between funds are as follows:

	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	235	-	235	1,038
Intangible fixed assets	62	-	62	103
Investments	1,645	-	1,645	1,536
Current assets	2,079	360	2,439	5,340
Current liabilities	(775)	-	(775)	(1,286)
Total	3,246	360	3,606	6,731

Included within investments above are cumulative unrealised gains of £91k (2020: losses of £301k).

The net assets of the Charity analysed between funds are as follows:

	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	235	-	235	1,038
Intangible fixed assets	62	-	62	103
Investments	1,645	-	1,645	1,536
Current assets	1,751	345	2,096	5,077
Current liabilities	(2,702)	-	(2,702)	(2,647)
Total	991	345	1,336	5,107

19) Financial commitments

At 31 December 2021 the charitable company has total minimum lease commitments under non- cancellable leases as follows:

	Land and buildings	
	2021 £'000	2020 £'000
Within one year	175	214
Between one and five years	-	858
Longer than five years	-	418
Total	175	1,490

20) Comparative consolidated statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000
Income and expenditure			
Income from:			
Royalties	1,680	-	1,680
Donations and Gift Aid	978	29	1,007
Investment income	99	-	99
Other income	29	-	29
Charitable activities			
Grant income	1,028	1,675	2,703
Total income	3,814	1,704	5,518
Expenditure on:			
Raising funds			
Raising funds and donor communication costs	1,757	-	1,757
Investment management costs	30	-	30
Charitable activities	6,425	1,713	8,138
Total expenditure	8,212	1,713	9,925
Net expenditure	(4,398)	(9)	(4,407)
Other recognised gains/(losses):			
Net loss on investments	(301)	-	(301)
Other recognised losses	(62)	-	(62)
Net movement in funds	(4,761)	(9)	(4,770)
Reconciliation of funds:			
Total funds brought forward	11,251	250	11,501
Total funds carried forward	6,490	241	6,731

REFERENCE AND ADMINISTRATIVE DETAILS

President of Lumos Foundation (UK) and Patron, Lumos Foundation USA Inc.

J.K. Rowling

Trustees, Lumos Foundation (UK)

A. Ahmed (resigned 8 December 2021)
N. Blair (Chair of Trustees – resigned 8 December 2021)
D. Cohen (resigned 28 February 2022)
C. Copland (Chair of Trustees - appointed 8 December 2021)
B. DiMichele
N. Gill
D. Moore
T. Motie
D. Mulenga (appointed 6 October 2021)
N. Pasricha (Treasurer)
J. Paul (appointed 8 December 2021)
K.Wills (8 December 2021)

Directors, Lumos Foundation USA Inc.

B. DiMichele (Chair)
L. Little (Treasurer)
P. McDermott (16 June 2021)
L. Robbins

Directors, Lumos Foundation Operations Ltd.

R. Dattani
C. Copland
P. Hellmuth
P. McDermott (appointed 16 June 2021)

Trustees, Friends of Lumos USA Ltd.

C. Deshpande
P. McDermott (appointed 16 June 2021)
P. Hellmuth

Chief Executive Officer, Lumos Foundation (UK)

R. Singleton (from September 2019 to 23 June 2021)
P. McDermott (from 23 June 2021)

Company Secretary, Lumos Foundation (UK)

N. Williams (resigned – 24 May 2022)

Registered Office

Lumos Foundation (UK)
Peninsular House, 30–36 Monument Street,
London EC3R 8NB, UK

Lumos Foundation USA Inc.

557 Broadway, New York NY 10012, USA

Friends of Lumos USA Ltd.

Peninsular House, 30–36 Monument Street,
London
EC3R 8NB, UK

Lumos Foundation Operations Ltd.

Peninsular House, 30–36 Monument Street,
London EC3R 8NB, UK

Lumos Foundation -UK Company registration number

05611912 (England & Wales)

Lumos Foundation -UK Charity registration number

1112575

US IRS reference number

47-2301085

Friends of Lumos USA Ltd – UK Company registration number

09502092 (England & Wales)

Friends of Lumos USA Ltd – UK Charity registration number

1170023

Lumos Foundation Operations Ltd- UK Company registration number

12369753 (England & Wales)

Auditor (UK)

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

Bankers (UK)

HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria,
London SW1V 1EJ, UK

Solicitors (UK)

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, UK

Investment Managers (UK)

Close Brothers, 10 Exchange Square, Primrose Street,
London EC2A 2BY, UK

This page forms part of the trustees' annual report.



A family for all children

For more information visit our website wearelumos.org



@lumos.at.work



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Lumos

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LUMOS FOUNDATION

England & Wales - Charity number 1112575

Accounts



A family for all children



YOUR IMPACT
FOR CHILDREN AND FAMILIES

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A portrait of a young woman with long dark hair, wearing a black and white striped shirt, smiling slightly. The background is a plain grey color. In the top right corner, there is a large blue starburst graphic.

MY NAME IS ELIŠKA...

“

... and I'm from the Czech Republic. Before I started working with Lumos, I was aware of the issue of children living in institutions and I was always interested in it. Joining Lumos' youth group in 2017 was an opportunity for me to engage and do something meaningful to help others.

Through the pandemic, Lumos has helped me to keep busy in difficult times and fill some of my time with meaningful activity. I've participated in a seminar, a press conference, and spoke in front of some of the highest representatives in the Czech Republic – a huge challenge! I enjoy using my voice to advocate for children's rights. It's a great opportunity for me to ensure that some things won't happen to children anymore.

I see that things are changing and I'm glad to be a part of it. I would like to continue to work with other youth advocates here to develop resources and ideas, to inspire other organisations to develop child and youth participation. If others believe in and support young people's involvement, then it's very motivating to them and great things can happen to change children's lives.

”

OUR VISION

All children grow up in safe and loving families.

OUR MISSION

To fight for every child's right to a family by transforming care systems around the world.

Lumos is fighting for every child's right to a family by transforming care systems around the world. We are an international charity striving for a future where every child is raised in a safe, loving home, supported by family to help them thrive.

On average more than 80% of children in orphanages have a living parent, and research proves that these institutions can harm a child's growth and development. Yet there are still an estimated 5.4 million children trapped in institutions globally.

Lumos sheds light on the root causes of family separation – poverty, conflict and discrimination – and demonstrates that children can safely be united with families. By pressing and supporting governments to reform care systems, and by building global expertise and capacity with partners, we ensure no child is forgotten.

Founded by author J.K. Rowling, we are lighting a path to a brighter future where all children can grow up in a safe and loving family.

We believe in a family for all children. Together, we are Lumos.

wearelumos.org

In a year of exceptional challenges, your support has meant we could deliver real change for children around the world. The results in this report – and the difference we've made together – are something to be proud of.

THANK YOU.

FOREWORD



As we are all acutely aware, 2020 was no ordinary year. The emerging COVID-19 pandemic brought about significant challenges for children and young people, families, decision-makers, and organisations such as ours. COVID-19 severely affected our operations and fundraising efforts in 2020, as we embarked on our organisational review to ensure sustainability and the maximum impact for children.

Yet in the face of these exceptional circumstances, we continued to fight for every child's right to a family – catalysing change by leading evidence-based research and sharing our learning and expertise. Our teams stepped up their efforts, embracing a virtual approach to disseminating research, advocating and campaigning, and collaborating with partners and child and youth advisers. Meanwhile, our demonstration programme teams around the world moved swiftly to secure the programmes where we directly support children, families and care service providers to ensure their wellbeing during the pandemic.

As you will see from our joint achievements in this report, we helped many families through a tempestuous year, we continued to break down the barriers to care reform, and we helped demonstrate that achieving sustainable and safe childcare transformation is possible in even the most extreme circumstances. Our research also continued to highlight the harms of institutionalisation, the actions needed to achieve effective reform, and the links between the institutionalisation of children and trafficking.

With our new strategy to take forward and an expert team passionate about our mission to keep families together, we are also delighted to welcome a new Chief Executive Officer, Peter McDermott. Having led global and country-level initiatives to support children and their families for many years, he brings with him a wealth of experience in international development to help us influence care reform, strengthen families and communities, protect children from the long-term harm of institutions and give them the love and care they need to thrive.

We are so grateful to our supporters, our partners and our dedicated staff. We want to thank you all for helping our work to transform child protection policy and practice around the world, and for supporting many vulnerable children and young people during their darkest hours. With much exciting work ahead, your continued support will help drive our ultimate ambition for all children to grow up in happy, healthy and loving families.



Neil Blair
Chair of Trustees



Roger Singleton
Interim CEO

YOUR IMPACT FOR CHILDREN

We're driven by the vision of a world in which all children grow up in safe and loving families. For the past 16 years, we've worked alongside governments, civil society organisations and communities to change care systems to benefit everyone.

Today, thanks to the efforts of Lumos and our partners, the harms of institutionalisation are more widely understood. Backed by better data and increasing evidence from the fields of neuroscience and early childhood development, there's growing consensus that no child belongs in an institution.



2006 TRANSFORMING MOLDOVA

Thanks to our work with government and civil society partners, the number of children in institutions in Moldova – over 11,500 children in 2006 – had fallen by 90% in 2018.



2008 TRAINING CZECH PROFESSIONALS

Since we began working in the Czech Republic in 2008, the number of children in institutions has fallen by a quarter from 10,388 in 2008 to 7,921 in 2019.



2010 REINTEGRATION IN BULGARIA

We created innovative demonstration programmes in Bulgaria's Dobrich and Varna regions to reintegrate babies and children with complex disabilities into family-based care.



2013 REDIRECTING EU FUNDS

Our joint advocacy with others helped change regulations governing European Structural and Investment Funds, leading to around €2.7 billion being allocated towards reforming care systems.

2015 SHINING A SPOTLIGHT ON HAITI'S ORPHANAGES

We worked with partners to assess 571 orphanages in Haiti, revealing that only one in four was licensed to operate and finding evidence of abusive practices in many of them.



2015 HIV CARE IN COLOMBIA

We worked with Fundamor, a Colombian NGO caring for children living with HIV, to transition from operating an institution to supporting family-based care.

2017 LAUNCHING YOUTH ADVISORY BOARDS IN EUROPE

In 2017, we launched national youth advisory boards in Bulgaria, the Czech Republic and Moldova to provide opportunities for young people to advocate for their rights.



2018 DISABILITY RIGHTS IN JORDAN

We helped the government in Jordan to shape national legislation on the rights of people with disabilities and develop a pioneering 10-year deinstitutionalisation strategy, with the potential to transform thousands of lives in the country.



2019 A LANDMARK IN CHILDREN'S RIGHTS

After years of advocacy by Lumos and our partners, the UN General Assembly adopted the landmark Resolution on the Rights of Children, focused on children without parental care.

2020 GROUND-BREAKING RESEARCH IN THE LANCET

We played a key role in presenting authoritative and comprehensive evidence in *The Lancet*, showing the scale of institutionalisation worldwide, and the harm it causes.



In diverse countries and contexts, we're proving change is possible. Demonstrating that, with careful planning and management, child protection systems can be transformed. With children and families at the heart of our new strategy, we will build on our rich heritage to ensure we achieve an impact greater than the sum of our parts.

YOUR 2020 HIGHLIGHTS



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The pandemic has put a strain on vulnerable children and families – but we're determined to make sure no children are institutionalised as a result. **26 organisations**, led by Lumos and Hope and Homes for Children, called on governments and EU institutions to take action to support vulnerable families and children in alternative care across Europe.

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Young people with lived experience of institutions and alternative care need to be heard. We supported **31 children and young people from 22 countries** get involved in the UN Day of General Discussion on Child Rights and Alternative Care. Their involvement ranged from planning the event to advising on a global research project that will document the experiences of children in alternative care.

With our partners at the Michin Foundation in Bogota, **Colombia**, we've been demonstrating how to support family reunification. By working with young people and their families through home visits and – due to COVID – remote support in areas like positive parenting skills, education and extra-curricular activities, we've helped reintegrate **125 boys and girls** with their families.



125

In **Kenya**, we've helped **102 children** affected by COVID to stay in a family setting. We provided technical support and guidance to a children's organisation in Nairobi, helping to support children and young people – some of whom were living on the streets – to return to their own families or to another loving home.

102

17

Young people leaving the care system face many challenges, from finding a place to live to getting a job. Despite COVID restrictions presenting extra challenges this year, we managed to support **17 young care leavers** in **Bulgaria's** Dobrich and Varna regions – providing training, professional courses and opportunities, and emotional and psychological support.

In **Colombia**, we helped organise 10 events attended by **170 psychologists, social workers and caregivers**. Topics discussed included the negative effects of institutionalisation and the psychological and social support needed for successful family reunification. It's all part of our work to transform the institutional care system in Colombia and promote children's right to grow up in a family.

170



5.4^M

We supported ground-breaking research estimating that **5.4 million children** live in institutions worldwide – but highlighting that many of them currently go uncounted. The shocking figure comes from a paper, commissioned by Lumos and published in *The Lancet Child and Adolescent Health* in March 2020.



In **Haiti**, we've pushed for the closure of 13 orphanages where children are at risk of trafficking. Four more were closed this year, and we worked with partners IBESR to reunite **59 children** with their biological families. But child protection challenges in Haiti won't go away just by closing institutions – poverty and the lack of opportunities and services in remote areas must also be addressed.



13

We worked with partners to safely reunify **13 Guatemalan children** with families after they had been forcibly separated by US border authorities, providing each family with six months of follow-up support. In 2018, around 4,000 migrant children were taken from their families at the US border and placed in institutional care while adults were detained or deported. With our partners at International Social Service USA, we've been working to trace families and help local social workers provide them with the support they need, including counselling and access to medical care, education and other services.

Our team in **Moldova** directly supported more than **250 children** – including reuniting 24 children who were in institutional settings with their families and preventing 22 children from 13 families from being placed in institutions. We also supported the national roll-out of inclusive education units for children with severe disabilities and complex needs following a successful pilot, and set up inclusive education services in 16 kindergartens. Children with special needs will now be able to attend mainstream schools, meaning they can remain living at home with their families.

250+

115



In **Panama**, we worked with partners UNICEF and SENNI AF to train **115** national and regional government representatives and civil society professionals on the importance of transforming care systems, strengthening family and community-based alternatives and keeping families together. We also provided support in developing a national action plan for the deinstitutionalisation of children and recommendations for transforming the care system.

80+

In **Jordan**, we worked with the government and NI-CO to deliver training for more than **80 members of staff** at Karak Centre, a residential institution for people with disabilities, to raise awareness about care reform. We know that many staff who work in institutions are committed, caring people – and many could be retrained to become social workers, family support workers, community nurses, foster parents and more. Getting them on board from the beginning is crucial in the move from institutions to community and family-based care.

45



Social media can be a useful weapon in the fight against child trafficking. In **Haiti**, we organised **45 hours of training** on the use of social networks for communications and advocacy. The training brought together more than 40 child protection professionals from state institutions and local NGOs.

234

In Zhytomyr, **Ukraine**, we're demonstrating how to transform residential care into a family and community-based system. Since we began our work in the region in 2019, we've supported the transformation of seven residential institutions. Four have closed and three are in the process of closure – and the number of children in institutions has fallen by more than a third. In 2020, we helped **234 children** leave institutional settings – 162 were reintegrated into their biological families and 61 into alternative family care, including 56 children under the age of six.

YOUR SUPPORT IS MAKING A REAL DIFFERENCE TO CHILDREN'S LIVES...



We supported the placement of **1,328 children and young people** in family or community-based care



We helped **15 residential institutions** to close or to transition to another type of service provider



In 2020, we worked with our partners to provide support services to **1,234 carers**



We trained **2,864** stakeholders to increase their technical skills and knowledge around care transformation

RISING TO THE CHALLENGE

The COVID-19 pandemic has brought major challenges for vulnerable children and families all over the world – and impacted our ability to raise the vital support needed to fund our work. Major face-to-face fundraising events, like our planned gala event in the US, were cancelled or moved online. Many fundraising challenges like marathons were postponed or cancelled, and fundraising in schools, universities and the community has been severely curtailed.

But we've embraced the challenge, utilising digital communications and fundraising like never before. We've produced video stories across our social media channels, sent out regular emails and mobile-friendly newsletters to keep our supporters engaged and informed, and tried out new virtual fundraising activities like the Charitybuzz online auction.

We're grateful to our long-standing supporters – including Scholastic and Warner Bros. – and everyone who helped us continue our work through the pandemic. We were also delighted to launch three major partnerships with Comic Relief US, the Kahane Foundation and the Latin American Children's Trust.

None of our achievements would be possible without your support. We're really grateful to all of you who have stayed with us during such a difficult year – dedicated donors and fundraisers, ambassadors and influencers, staff and volunteers. A heartfelt thanks for everything you have done for children and families around the world.

FIND OUT MORE AT [WEARELUMOS.ORG/STRATEGY](https://wearelumos.org/strategy)

HOW WE'LL FIGHT FOR EVERY CHILD

In the coming years, we'll work hard to translate global commitments into local action, leading to lasting change for vulnerable children. We'll galvanise and support governments, civil society and other influential organisations to transform global policy intentions into action around the world. By sharing our learning and expertise, we'll also support locally led efforts that lead to lasting change and safe, quality care for vulnerable children.



1 BUILDING GLOBAL EXPERTISE

We'll use our knowledge and experience to support those responsible for reforming care systems in their own countries. This will include learning exchanges where they can share experiences and challenges, and providing technical support, evidence and guidance to help design and run better care systems. Importantly, we'll make sure that people with lived experience of institutionalisation are included throughout the process.



2 CATALYSING CHANGE

We know that ending institutionalisation benefits children and society – and we'll use this evidence to motivate and press governments around the world to reform the way they care for children. This will involve leading targeted research and advocacy campaigns to identify and tackle the drivers of institutionalisation, promoting more accountability by carefully tracking and highlighting progress, and influencing international funding, programmes and policy.



3 DEMONSTRATING & INNOVATING

Building on our heritage of successful programmes showing how care systems can be reformed, we'll use what we've learnt in the past to support partners with their own reform efforts. Over the next two years, as we complete our current country demonstration work in Eastern Europe, we'll identify programmes in new regions – building expertise and evidence of what good care reform looks like in challenging contexts, particularly for those children that typically get left behind.

Thanks to Lumos' team in Colombia and our partner Michin Foundation, Ana (pictured left) and her siblings are home again. We've been working with Michin to support the family through the pandemic.

A FAMILY REUNITED

"MY MAIN DREAM IS TO FINISH HIGH SCHOOL AND MY STUDIES WITH GOOD GRADES. WHEN I GROW UP, I WANT TO BE A ROBOTICS ENGINEER OR A NOVELIST."

ANA, COLOMBIA



By her own admission, Ana wasn't an easy child. "I didn't like to be with my brothers or take care of them," she says. "I used to run away from home and I didn't think about anybody. Or myself."

Things got worse in 2018, when Ana was 13. Her mother, Gloria, was struggling to look after Ana and her two younger brothers, Juan (now 11) and Pablo (9). Overworked but short of money and without a suitable home or family support network, Gloria turned to the state for help. Ana and her brothers were placed in the care of Michin Foundation, a residential institution in their home city of Bogotá, Colombia, until Gloria could get back on her feet.

A year later, thanks to Lumos and Michin, the children were able to return home. As part of our efforts to transform the care system in Colombia, we've been working with Michin to transition away from providing institutional care to focus on reintegrating children with their families, finding foster homes and helping families stay together.

A team of psychologists and social workers guided Ana and her family through the reunification process. Ana and her siblings received practical help to take part in school, homework and out-of-school activities, as well as vital emotional support and tools to strengthen and improve their relationships and confidence. Gloria enrolled on an employment programme for women in the local area and found work as a dressmaker.

Things were going well for the family – then the COVID-19 pandemic hit last year. Gloria's work dried up, causing the family more financial difficulties. Lockdown increased anxiety and stress for everyone, and Ana returned temporarily to care. But with our partners at Michin, we stepped in with emergency food packages and support with the rent, and Ana was soon able to come home again. We continued to support Ana and her brothers with home learning while schools were shut.

Today, Ana is less angry and more understanding. She can't wait to sing in the school choir again and is learning the cello. She's hopeful about her future: "My main dream is to finish high school and my studies with good grades. And when I grow up, I want to be a robotics engineer or a novelist."

For Pablo, the most important thing is simply being with his family: "What I like the most is that we spend time together," he says. "That we go out to the park. **That we support each other.**"

RESPONDING TO THE CRISIS

The COVID-19 pandemic amplified the challenges that vulnerable children and families already face – from poverty and unemployment to lack of access to health, education and social services. Shifting to online learning was a struggle for many children and young people with disabilities and special educational needs or without reliable internet access and devices. Care leavers missed out on social housing and food packages, leaving some homeless and hungry. Violence and abuse increased in both families and institutions.

As residential institutions went into lockdown, children were cut off from contact with families and communities. In other cases, children were sent back to their families without proper preparation, safeguarding or support.

All these issues caused extra challenges for our teams around the world – even as we had to stop almost all our face-to-face work. But we rapidly reviewed our ways of working so we could continue to support vulnerable children and families safely.

We distributed much-needed emergency food and hygiene kits to protect the lives of vulnerable children and their families. At the same time, we worked harder than ever to prevent family separation, ensuring parents can care for their children at home.

We adapted our ways of working so we could continue to provide psychological, social and emotional support remotely. Much of our technical support, training, campaigning and research also continued online – from delivering virtual training, to sharing our research through webinars and developing online tools. Through our advocacy work, we pushed governments to make sure the needs of vulnerable children and families remained a priority during the pandemic.

Since the start of the pandemic in March 2020, thanks to you, we've been able to provide support to **1,069 vulnerable carers** and **1,107 vulnerable children**. We've also delivered **2,661 cash grants** to financially assist families.

OUR PROGRAMME TEAMS ADAPTED QUICKLY AND TOGETHER WE DID SOME AMAZING THINGS...

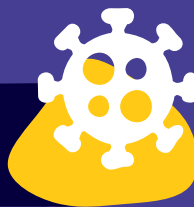
2,848

WE CONDUCTED **2,848** PSYCHOSOCIAL SUPPORT AND COUNSELLING SESSIONS WITH CARERS, CHILDREN AND YOUNG PEOPLE

In **Colombia**, we provided food and economic support to vulnerable families, as well as emotional support to help children and adults manage stress, financial worries, homework and general wellbeing.



EMERGENCY COVID APPEAL



In early 2020, we launched an emergency appeal to support our response to the COVID-19 pandemic. Our supporters generously donated £220,000, including a gift of £100,000 from our valued funding partner, the UBS Optimus Foundation.

With this funding, we were able to provide immediate support for vulnerable children and families. We were also able to quickly adapt our ways of working to continue our vital ongoing efforts to reunite children with their families and prevent family separation from happening.

In **Ukraine**, we supported the National Council of Children and Youth to develop an information campaign, **#quarantineholiday**, with resources, ideas and inspiration to support children and young people in quarantine.

In **Moldova**, we provided food and hygiene packages for more than 60 children and their families, and held over 2,300 psycho-social support sessions with children and young people to help them cope with anxiety, isolation and bereavement. We also delivered 20 virtual training sessions for 300 professionals on monitoring and supporting children at risk during the pandemic.

In **Bulgaria**, Lumos created the National Covid Monitoring Group with NGOs from around the country and local authorities, making sure we had expertise in the areas of children with disabilities, education, refugee children, violence, Roma children and family support. We met every month to exchange information and support each other.

In **Kenya**, we helped trace children who had been rapidly released from institutions as a result of COVID to ensure they could get the support they needed. We also supported the Kenyan government to develop ways to safely enable children to remain with their families when and where possible, after the institutions reopened.

In Haiti, we helped to reunite families such as Victor's (pictured with his family) and support them with hygiene kits and food packages.



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REUNITING FAMILIES IN HAITI

In Haiti, we've been working with the government to close down orphanages that are linked with child trafficking. One of these institutions attempted to move the resident children to another location when the authorities were busy dealing with the emerging pandemic. Fortunately, our increased monitoring meant we stopped this happening, and were able to reunite 20 children with their families.



SUPPORTING FAMILIES IN UKRAINE

When the coronavirus crisis hit Ukraine, the government decided almost 75% of children living in institutions would be returned home. Although we welcomed children being returned to families, there was no preparation, planning or ongoing support. We moved quickly, working with the Ukrainian government to identify 43 vulnerable children in 26 families to provide support packages. We also supported the government to develop guidelines for social workers, local authorities and professionals to help families stay together through the crisis and beyond.

“DURING THE EMERGENCY, THE HARDEST THING WAS TO FIND FOOD. THANKS TO LUMOS, WHO BOUGHT MEALS, I DIDN’T HAVE TO GO OUT EVERY DAY TO SHOP. I USUALLY HAVE TO TAKE ISUS WITH ME AND THIS WOULD HAVE PUT HIM AT RISK.”

DIMA, BULGARIA



PROTECTING VULNERABLE CHILDREN IN BULGARIA

Our team in Bulgaria identified children and families who needed emergency support during the pandemic – including one boy whose complex health conditions meant even shopping for food was a real risk. We supported him and his foster mother to move into a new government property where he could be safely cared for – and arranged access to essential food and medication.

CHILD & YOUTH PARTICIPATION



Children and young people have the right to have their say in the decisions that affect them – and this is something we take seriously. Our country programmes have youth advisory boards, with monthly meetings that feed into and advise our work. We also support self-advocates – people with lived experience of institutionalisation and their allies – to speak up for themselves.

This year, because of COVID, most of our youth participation activities took place online, and we dedicated time to supporting youth advisory board members who were affected by the pandemic. In Moldova, self-advocates created a film to highlight the impact of COVID-19 on children and vulnerable families, and in Bulgaria they created a travelling storybook of young people's experiences. They also supported their peers to understand how to stay safe and created activities and social media challenges.

Another big event in the calendar in 2020 was the UN Committee on the Rights of the Child's Day of General Discussion (now postponed till September 2021). Having previously proposed that this biennial event should focus on children's rights and alternative care, we led the overall planning and coordination, particularly making sure that children and young people participated in every stage of the process.

SELF-ADVOCATE STORIES

Young people from the Lumos youth advisory board in Bulgaria created a travelling storybook to show solidarity with their peers in care. Dedicated to all children and young people in care across the world, this book includes stories from self-advocates in Bulgaria, Moldova, the Czech Republic, Ukraine, Austria, Cyprus and the UK. According to the young authors, the book “demonstrates that there are no geographical or other borders when young people want to support each other, share their difficulties, and dream together”.

YOUNG ADVISORS SHAPE UN DISCUSSIONS

We’re putting children and young people with direct experience of alternative care at the centre of the UN Day of General Discussion. In planning the event, we worked with partners to set up two advisory teams of 31 children and young people from 22 countries, with a broad range of care experiences – including a member of the Lumos youth advisory board from Moldova. The teams have been involved throughout the planning process, from developing the concept note to advising on a global research project that will document the experience of children in alternative care globally.

YOUNG PEOPLE OFFER ADVICE FOR CZECH JUDGES

Members of our Czech youth advisory board took part in a project with the Judicial Academy, the training centre for Czech judges. The project aims to collect experiences from children who have been through court processes, and to use this to improve proceedings and training for judges. Lumos supported youth advocates are helping the Judicial Academy to set up a number of child and youth focus groups to discuss particular topics, such as fostering and institutional care.

DISABILITY DISCUSSIONS IN GREECE

In Greece, we brought together young people, self-advocates, disability activists and local professionals to discuss perceptions of disability to support a UNICEF youth participation programme. With LUMOS’s support, UNICEF currently supports a Youth Steering Committee as well as a Committee of young self-advocates with institutional experience. Meeting every two weeks along with disabled activists and professionals, YouSmile participants include disabled and non-disabled children with experience of institutions. Their discussions, experience and learnings will feed into UNICEF’s work.


CHILDREN’S FORUM GOES ONLINE

The fourth annual All-Ukrainian Forum of the National Council of Children and Youth went online in 2020 – and was the biggest event yet. Opened by the Ukrainian President Volodymyr Zelensky and broadcast on YouTube, the event – which we helped to organise – gathered 42,400 viewers. Among the speakers sharing their views on how to improve the lives of children in Ukraine were children and young people with experience of residential institutions and with special educational needs. The Ombudsman for Children’s Rights was also in attendance.

“YOUNG PEOPLE ARE SO IMPORTANT TO SOCIETY BECAUSE THEY ARE THE FUTURE, THEY ARE THE ENERGY. THEY’RE GOING TO BE RUNNING THE WORLD SOON.”

JEROME, YOUTH ADVOCATE





POWERFUL EVIDENCE

There's a compelling case to end institutional care of children, with some 300 research studies showing the long-term harm it causes. But gaps remain in the global evidence base. Capturing and deploying new evidence is an essential part of our work to drive change and fulfil our ultimate ambition for all children to grow up in happy, healthy, loving families.

Our dedicated evidence experts focused on three priorities in 2020:



Working through our **innovative demonstration** programmes to support the design of evidence-based services, capturing how care transformation can be successfully achieved across diverse systems and contexts, and sharing knowledge with other countries.



Improving **outcomes for children** by embedding pilot outcomes studies in our work, and collaborating with world-leading researchers to build the evidence on the benefits of families over institutions.



Generating evidence for **prevention and advocacy**, investigating the drivers of institutionalisation and opportunities to prevent it; and promoting data on the scale, harms and costs of institutionalisation as a lever for reform.



RESEARCHING BOARDING SCHOOLS IN COLOMBIA

In Colombia, boarding schools are seen as a solution to provide education for children in remote and rural areas – but this limits children's ability to access their right to family life. In 2020, we gathered and analysed data from 45 of the 47 boarding schools in the Guaviare region to understand more about these schools and their students. This has provided valuable evidence which Lumos, the Ministry of Education and others can use to plan improvements in the system, so that children's rights and wellbeing can be upheld.



GLOBAL RESEARCH STUDIES SHOW THE LONG-TERM HARM OF INSTITUTIONS TO CHILDREN

EXPOSING CRACKS IN THE SYSTEM

Our *Cracks in the System* report – the first of its kind – explored the relationship between institutionalisation and trafficking in Europe. Dr Petya Nestorova, Executive Secretary of the Council of Europe Convention on Action against Trafficking in Human Beings, called it “a vital addition to the evidence base and our collective understanding of how child trafficking manifests in diverse contexts.” In 2021, we’ll be building on this research by publishing a global review of the links between children’s institutions and human trafficking in diverse contexts.

RESEARCH IN THE LANCET

We supported the publication of three new papers in *The Lancet* that shed new light on the situation of children living in institutions – including a paper we commissioned on the global scale of institutionalisation, which estimated that 5.4 million children live in

institutions. In June 2020, the Lancet Commission on Institutionalisation and Deinstitutionalisation, which we helped to convene, published work on the harms of institutionalisation and actions needed at global, national and local levels to achieve effective reform.

FAMILY-BASED CARE FOR UNACCOMPANIED REFUGEE CHILDREN

In Ethiopia, we worked in four refugee camps to reduce the over-reliance on institutions by strengthening foster care as an alternative. In 2020, we conducted an evaluation of the project, which involved interviews and focus groups with staff, children, foster carers and others, and documenting what we’ve learnt. Unaccompanied refugee children often end up in institutions; we’re aiming to change that by providing evidence showing that it’s possible to find caring families for all children, even in the most challenging settings.

Constantina – an advocacy specialist – has been working for Lumos since February 2018, working with partners to help us push forward the agenda for deinstitutionalisation and positive reform in Greece

CHANGING PERSPECTIVES IN GREECE

**“LUMOS GAVE US HOPE THAT,
ALTHOUGH THIS IS DIFFICULT,
IT’S DEFINITELY POSSIBLE.”**

CONSTANTINA, GREECE



©Chloé Fuchs Kintoni

Constantina Kintoni reflects on the impact Lumos has had in Greece – and her own experience of adopting her daughter from an institution.

When I was 18 years old, I started volunteering at an institution for children with disabilities. This is where I met the girl who later became my daughter. We connected instantly. I was very young, I didn't have any maternal instincts kicking in. I just wanted her to be out of there.

I asked my parents to adopt her, but in the end, it was me who took care of her. In the beginning, I was a foster carer then later I adopted her with my partner.

Meeting her changed the path of my life. She opened up a window on a world I didn't know existed. The world for children with disabilities and for children in institutions. I had adopted her, but there were still 98 children there. I could not take them all – and that wasn't the point – but I wanted to give something back.

You can't do much as a volunteer in an institution. I was determined to do things differently and fight so that children wouldn't be in this institution in the first place. We started a small organisation including advocacy but also direct work with children in institutions and their families and potential foster carers.

Later, I went into politics, and eventually became a special adviser to the minister of social affairs in 2015. This was when Lumos started working in Greece. Although there were some amazing local organisations and professionals already fighting for change, we didn't have many Greek organisations advocating for childcare reform. A few focused on elements of deinstitutionalisation like foster care, but we weren't really seeing a holistic picture.

When Lumos started work in Greece, it was a breath of fresh air. Lumos could give the bigger picture – that reform was happening in other countries – and outline the steps needed to get you there. Lumos brought its international experience and lessons learnt about what worked best in different contexts to walk us through the process. It gave us a common feeling, of belonging to a mission. Lumos gave us hope that – although this is difficult – it's definitely possible.

I started working for Lumos in February 2018, doing advocacy work to push forward the agenda for deinstitutionalisation. As a catalyst, Lumos has done excellent work. Today, you have everybody advocating for deinstitutionalisation in Greece. In 2015, you'd never have heard a minister in parliament talking about the harms of institutions. Now you hear government officials openly talking about deinstitutionalisation - and I truly believe we can take a great deal of credit for this.

When I met my daughter, she was on a feeding tube. She wouldn't speak, she couldn't walk. Nobody believed that she would develop. Today, she's a vocal advocate for deinstitutionalisation and for her friends who were left behind. To see her giving an interview, getting her message across so clearly and with so much passion, I could not be more proud of the woman she has become. She's a burst of sunshine. **Every child deserves that chance to shine.**

ADVOCACY AND CAMPAIGNS

All over the world, care systems are being transformed. The EU, the UN, individual countries and other organisations have made major commitments to reforming state-run child care systems and closing down institutions. But despite progress, barriers remain. So do many of the reasons children end up in institutions in the first place – from poverty and discrimination to forced displacement and child trafficking.

The COVID-19 pandemic brought new challenges – but we continued to fight for every child's right to a family, using our influence to catalyse change in policies, practices and funding. Throughout 2020, we focused on:



Targeted advocacy and campaigning to make care transformation a priority, put in place supportive policies and guidance, and direct resources away from institutions towards family and community-based services.



Thought leadership to equip and inspire partners with knowledge and insight to embark on reform.



Child and youth participation – developing meaningful ways for children and young people to influence decisions that affect them, including exploring ways they can be involved in Lumos' decision-making.

Radi [name changed] poses in front of one of the murals that presides over the centre for minors in Ceuta. Radi, who is from Guinea, was 15 when he travelled more than 5,000 kilometres, crossing four countries



TEN YEARS OF PROGRESS IN THE EU

In January 2020, we co-organised a high-level conference alongside the European Commission, celebrating 10 years of the European Expert Group on the Transition from Institutional to Community-based Care, of which Lumos is a founding member. EU officials, civil society representatives including Lumos interim CEO Sir Roger Singleton, self-advocates and others took stock of what the EU has achieved over the past 10 years and planned next steps towards ensuring that all children and adults can exercise their right to family care and independent living.

RETHINKING CARE FOR REFUGEES

Refugee and migrant children in Europe are often excluded from national alternative care systems, meaning unaccompanied children are missing out on suitable family- or community-based care and risk harmful



91

IN 2020, WE
CARRIED OUT OR
PARTICIPATED IN 91
ADVOCACY INITIATIVES
FOR CARE REFORM

institutionalisation. This is an issue we highlighted in 2020 with a research report, *Rethinking Care*, in partnership with the UN Refugee Agency (UNHCR), the United Nations International Children's Emergency Fund (UNICEF) and the International Organisation for Migration (IOM). As our first major piece of research on refugee and migrant children, it has helped us form new partnerships and push for reform.

CLOSING CZECH BABY HOMES

The Czech Republic is violating children's rights by keeping infants in institutions, according to a judgement this year by the European Committee of Social Rights of the Council of Europe. The committee's decision drew heavily on evidence from Lumos, and should finally put an end to so-called "baby homes" – an issue we've highlighted in the media and in parliament. Although our work has helped reduce the number of institutionalised children under three years old, in 2020 some 265 infants remained in institutions in the country. We're working to support the transformation of these institutions and the assessment of children to find suitable alternative family care.

ANTI-TRAFFICKING AWARENESS IN HAITI

We've continued to raise awareness of child trafficking and its links with orphanages in Haiti. During the 16 days of activism to end gender-based violence in late 2020, Lumos country director Eugene Guillaume participated in a talk on human trafficking broadcast on Facebook. Around Children's Day in June, we helped launch a poster campaign with the government's child protection agency IBESR. And as part of the Building Enduring Systems to End Trafficking (BEST) project, funded by USAID, we also conducted a knowledge, attitudes and practices survey to help guide our anti-trafficking strategy.

SCHOOL INCLUSION IN MOLDOVA

Children with severe disabilities will be able to go to mainstream schools in Moldova – and to stay with their families – after the national education authorities approved the model of educational inclusion that we developed. In 2016, we began piloting inclusive education units for children with severe disabilities and complex needs who would otherwise be excluded from school and sent to specialised institutions. Now they have officially become part of the education system and will be rolled out across the country – giving more children a chance to fulfil their potential.

Grace provides advocacy, technical and in-person advice to help prevent neglect and abandonment, and support parents through the pandemic and change the lives of vulnerable children



THE GIFT OF FAMILY

"I WANT TO SAY THANK YOU TO OUR SUPPORTERS. YOU'VE MADE A DIFFERENCE TO THE LIFE OF A CHILD."

GRACE, LUMOS KENYA



Meet Grace. From her early work to keep children off the streets in Kenya, to her determination to stand up for struggling mothers and prevent baby abandonment, she is a shining example of the caring force that drives our work.

Families want to care for their children. But for some unsupported and desperate parents, placing their baby in an institution may feel like their only choice. Many aren't aware that institutions harm children and affect their emotional and physical development.

Thanks to you, Grace's tireless work as a family-based care specialist in Kenya is helping to create a more informed and caring environment for over 2,000 mothers every year – through parenting sessions with local maternity services, parenting support groups, family celebration days and community outreach. It's part of our early preventative approach to stop family separation.

By focusing on family strengthening and support with Pumwani maternity hospital over the last seven years, Grace has seen the number of babies abandoned at the hospital significantly reduce.

Grace explains: "There is huge potential within families and communities. When we gather with parents we've been working with on our family celebration days, we give them space to interact, to give feedback, and receive a practical gift. Despite limited resources, they've been working hard to meet their children's needs. It's the first time someone has celebrated their efforts."

Last year, the family celebration day still went ahead, although the number of families involved was carefully managed. It provided a much-needed chance for parents to gather together and discuss how they were coping in challenging circumstances – and offered a much-needed break from the pressures of lockdown.

With your help, Grace wants to scale up similar support networks across Kenya and grow a community volunteer and mentorship programme to help more families. She's also keen to support more teenage mothers, who require additional services.

"I want to say thank you to our supporters. You've made a difference to the life of a child, by believing that all children can grow up in a loving and safe family. Because all children should be loved. **They should feel like a child and have a sense of belonging.**"

INNOVATIVE DEMONSTRATION



At Lumos, we're demonstrating how to keep children and their families together in a wide variety of contexts all over the world. From our demonstration programmes in Moldova, Bulgaria, the Czech Republic, Ukraine, Haiti and Colombia, and projects we support in Kenya and Russia, we're identifying and documenting innovative ways to transform care systems. By showing and sharing what we learn, we can make change happen on a larger scale, and transfer knowledge, experience and evidence to other countries and contexts.

In 2020, we had to adapt our work significantly due to the pandemic – but we remained focused on demonstrating that reform is still possible in this new context. Within our demonstration programmes, we're providing technical advice and building the capacity of governments, local authorities, NGOs and professionals to transform care systems, and pushing to get the necessary legislation and support in place, to ensure the rights of all children to grow and thrive in families and communities.

Looking ahead, we aim to move on from those countries where high-quality transformation is safely and irreversibly under way, and to launch innovative demonstration projects in new contexts where care reform is most needed.

A MILESTONE IN COLOMBIA

Fundamor, an institution for children with HIV, became the first institution in Colombia to begin shifting to a community-based care model with our support in 2017 – and in 2020, it finally completed the process. Between January and March, the last 44 children and young people moved out of the institution to live with their biological families, independently, in foster care or another appropriate care setting. Fundamor now focuses on providing ongoing support to children with HIV and their families.

STRENGTHENING FOSTER CARE

We've been promoting foster homes as an alternative to institutions across Colombia, and we strengthened this work by running four virtual training sessions for 59 professionals with the Colombian Family Welfare Institute ICBF. Our partner Key Assets, the Canadian fostering agency, shared their experience in recruiting and monitoring foster families, and an expert psychologist gave a talk on building the resilience of foster families. We also gave our input into national guidelines for foster homes, with ICBF accepting our recommendations.

SMALL HOMES, BIG PROGRESS

In Pardubice county in the Czech Republic, we've been helping dismantle large institutions and set up smaller group homes where children can receive the personal care they need to thrive. Three of the five county-run institutions, which used to house up to 40 children each, have now been successfully transformed. Children have been moved into small family groups of up to six, and independent apartment have been created for older care leavers. We've also been strengthening community services and supporting foster carers in the region.

EARLY INTERVENTION IN THE COMMUNITY

To ensure young children and their families can get the support they need close to home, we're piloting a holistic early intervention approach with Moldova's ministry of health and social protection. We opened the first early intervention centre in Floresti, providing services to families with children under five who have developmental disorders, including disabilities, or who may be at risk of developing them. Along with the centre, we've opened four early intervention offices at the community level. Now we're working with the government to extend and replicate these services across Moldova.

CLOSING INSTITUTIONS IN MOLDOVA

Another residential institution in Găgăuzia, Moldova closed in September 2020, the culmination of two years of work with families, communities, local authorities and services, and staff from the institution. Over that time, we successfully helped reintegrate 47 children with their biological families, after they had been placed in the Congaz residential institution because of physical and learning disabilities or family vulnerability. The process also included training and support for all 29 Congaz employees to help manage the transition, as well as work to strengthen community services.

© Fundamore Colombia



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WE HELPED

233 STAKEHOLDERS

LEARN ABOUT CARE

TRANSFORMATION

BEST PRACTICES

THROUGH VIRTUAL


STUDY VISITS

Thanks to the efforts of Lumos and Michin Foundation, Felipe and his siblings were able to return home. We've been working closely with Michin to move away from providing residential care to reuniting families like Felipe's and giving them the support they need to stay together.

UNITED IN LOVE

**"LIKE EVERY FAMILY, WE HAVE PROBLEMS.
BUT WHAT UNITES US IS LOVE."**

FELIPE, COLOMBIA



“I was a little problematic before,” admits 18-year-old Felipe. “I was disobedient. I help my dad now, and I help my brothers in what I can. I used to dress ugly, like those criminals out there. I look better now.”

Felipe lives with his dad, two brothers, two sisters, his grandma, three dogs and two cats in a house in the hills that surround Bogotá, Colombia. There’s a lot of love and laughter in their home now, says his sister Rosa: “We are all very close.”

But it hasn’t always been so easy. With their mother in prison and their dad hard at work, the kids had some behaviour problems. In 2018, with their father struggling to cope, Felipe and his younger siblings were taken into the care of Michin Foundation, a residential institution.

The children’s basic needs were met, but what was missing was a family. “I really needed to be with my dad and my sister,” says his sister Rosa. “Sometimes I felt alone.”

Felipe agrees. “Practically they gave us everything, but the thing we needed was the love and affection of someone who loved us,” he says. “We could have psychologists, social workers, classmates, teachers... but we didn’t have the love of a dad, which was what we needed.”

A little over a year later, the siblings got what they needed: they returned to their family home, thanks to the work of Lumos and Michin. As part of our mission to end the institutionalisation of children in Colombia, we’ve been working with Michin to transition away from an institutional care model to providing support for children within family settings.

A psychologist and social worker have been helping the children to readjust to life at home. “They have taught us to be very tolerant and to focus on school,” says Rosa. “When we have a problem, we immediately tell them and they help us with everything.”

“They always make us smile,” adds José, their youngest brother. “They helped us become better people and improve our behaviour.”

The pandemic brought new challenges. Their dad lost his job, and the social worker and psychologist couldn’t visit. Luckily, we were still able to step in and support the family. Last year, we helped provide emergency food packages and financial support for other essential items, and a tablet so the children can continue to speak to their social worker and keep up with their studies.

The children agree that the greatest strength of their family is the bond between them: they like to spend time together playing, cooking or walking the dogs. “Like every family, we have problems,” says Felipe, **“but what unites us is love.”**

CHANGING THE SYSTEM

We want to transform the way children are cared for all over the world – but changing whole systems isn't something we can do alone. To catalyse change, we seek out and work with a wide range of partners across different regions, sectors and thematic areas.

Throughout 2020, we focused on:

Providing targeted guidance and expertise to partners leading care reform through our **remote support and technical assistance programmes**. This includes advising a number of government and NGO partners who are championing care reform in their own contexts. In 2020, our remote support programmes included Ethiopia, Jordan, Malaysia, Panama, Russia, and Ukraine.

Leveraging our international experience, creating a range of training resources, tools, and learning exchange opportunities to **build capacity and expertise** of high-level stakeholders across the globe. This includes training and advising government departments, NGOs, institutions, social workers and other professionals involved in the process of care reform.

Cultivating **strategic partnerships and alliances** to collaborate, share learning and shape global care reform efforts. In 2020, we strengthened partnerships across Latin America and the Caribbean, Asia, Africa and the Middle East and helped drive forward strategic initiatives and networks to achieve change at scale.



With training, guidance and funding from Lumos, Fundamor in Colombia embarked on a process of transforming care – striving at all times to ensure each child's best interests were met.



TRANSFORMING CARE IN PANAMA

We successfully completed the first phase of a programme to transform care in Panama, where more than 1,500 children and young people currently live in institutions. In partnership with the National Secretariat for Children, Adolescents and the Family (SENNIAF) and UNICEF, we developed a national action plan on transforming care and helped build national capacity to deliver it. Work continued despite the pandemic – we delivered remote training for strategic partners in Panama, provided virtual technical advice to protection system officials, and jointly developed tools and documents to inform and guide the care reform process.

SUPPORTING REFUGEES IN ETHIOPIA

Working with partners on the ground in four refugee camps in Ethiopia, we managed to place high numbers of unaccompanied children into foster families – despite the challenges of the pandemic. To prevent the spread of COVID-19, it was important to





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**OUR REMOTE SUPPORT
PROGRAMMES TRAINED
871 STAKEHOLDERS
IN THE SKILLS NEEDED TO
TRANSFORM CARE SYSTEMS**

switch to remote ways of raising awareness and carrying out monitoring, but work continued placing children in families and recruiting new foster carers, with appropriate social distancing and health measures in place. Social workers in the camps were also trained and supported to promote COVID prevention, including through weekly phone calls to unaccompanied children and their caregivers.

TRAINING AND COLLABORATION IN LATIN AMERICA AND THE CARIBBEAN

We're seeking to influence child protection policies in all 33 countries in Latin America and the Caribbean through our partnership with the Inter-American Children's Institute (IIN), the specialised children's rights agency of the Organization of American States (OAS). Together, we're developing an online training course on transforming care, tailored to the region's diverse contexts. OAS is one of the most influential actors in Latin America and the Caribbean, so it's a great opportunity to influence and guide care reform in the region.

SHAPING REFORM IN JORDAN

COVID-19 poses a threat to people with disabilities living in institutions – and a challenge to deinstitutionalisation work in Jordan. But by working with the government and NI-CO, we achieved a lot in 2020. This included advising the newly established deinstitutionalisation unit and developing tools and resources to support local care reform. Other successes included designing and delivering an awareness raising programme through a combination of face-to-face and remote training – with local Jordanian experts running sessions in person.

FIGHTING FOR CHILDREN'S RIGHTS

As part of the Global Movement for Children – a coalition of organisations focused on fighting for children's rights in Latin America and the Caribbean – we responded to the pandemic in the LAC region, working with partners to advocate for the rights of children to live in a family and prevent the loss of parental care. We helped to develop, review and disseminate technical guidelines to promote the protection of families disproportionately affected by the pandemic.

Country Director of Lumos Bulgaria, Bisser uses his vast knowledge and experience to help us transform a system that has historically seen institutions as the universal solution to children's problems.

A DECADE OF PROGRESS IN BULGARIA

**“BY DEVELOPING OUR ABILITY TO WORK
THROUGH PARTNERS, WE’RE REACHING
EVEN MORE CHILDREN.”**

BISSER, BULGARIA



Lumos' country director in Bulgaria, Bisser Spirov, reflects on the things we've achieved together.

I've been working for Lumos for more than 10 years, and I'm so proud of what we've achieved in Bulgaria during that time. Institutionalisation is harmful and transforming the childcare system to provide quality services for children and families, especially for the most vulnerable, is not only possible but also mandatory in a modern, civilised society.

One area that has really made a difference is assessing the wants and needs of the family as well as children. When Bulgarian authorities first began the process of moving children out of institutions, we insisted that it was extremely important to visit their families. Despite sceptical predictions that families wouldn't be found or wouldn't want to participate, 1,388 families were interviewed, and more than half were adamant in their desire to restore and maintain contact with their children.

Another success that stands out is our work with children with untreated hydrocephalus, a brain condition. Many families can't afford the standard treatment, called a shunt, and often these parents were persuaded that it would be better to place their child in an institution. We provided funds for shunts for seven children so they could stay with their families. And following our awareness-raising activities, the costs are now covered by the authorities: more than 1,000 children have received this life-changing treatment, and their parents have not had to face the dilemma of where to find money to buy medical supplies.

But I am most proud of a small, single case: a boy with very complex needs – profound multiple disabilities combined with serious health problems – who was in a critical condition in a home for children with disabilities. He's now been living in a foster family for five years. The Lumos team not only supported the boy and his foster mother, but also did everything possible to promote this unprecedented case in Bulgaria to make it clear that children with complex needs and profound disabilities can also live in a family.

In 2020 we quickly reorganised our work to respond to the COVID-19 crisis. We reached out to vulnerable children and families, while at the same time supporting NGO service providers to promote their work more effectively so they can reach more people online in these unparalleled times. By developing our ability to work through partners, we're reaching even more children.

I believe that soon the last old-type institution for children in Bulgaria will be closed. But deinstitutionalisation doesn't end with the closure of specialised institutions. All of our work to change local and national policies aims to make sure that the voices of vulnerable children are heard, their individual needs are recognised and met, and **families receive the support they need to care for them in the best possible way.**

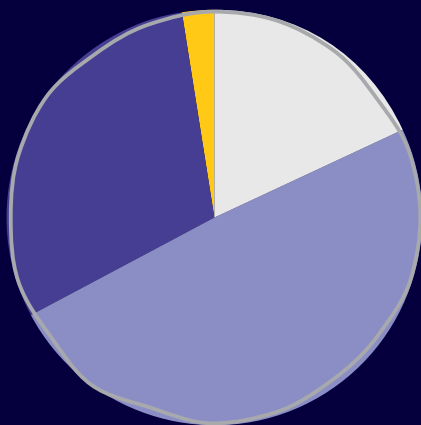
FIND OUT MORE AT [WEARELUMOS.ORG/BULGARIA](https://wearelumos.org/bulgaria)

OUR FINANCES

A summary of our income and expenditure for the year ending 31 December 2020.

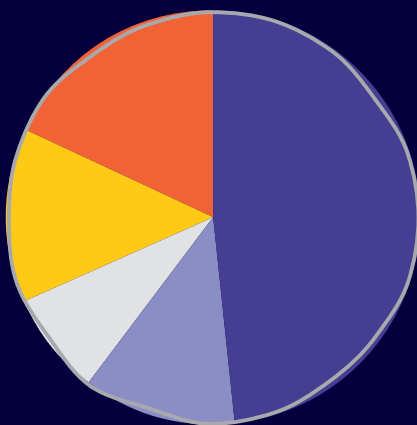
INCOME IN 2020

Lumos' income totalled £5,518,000



EXPENDITURE IN 2020

Lumos' expenditure totalled £9,925,000



Lumos' overhead and administrative costs are met by the generous support of J.K. Rowling and other donors. 100% of other donated funds directly support our projects and programmes.



THANK YOU FOR YOUR SUPPORT

LUMOS DONORS

We couldn't achieve our mission without the dedicated support of all our donors.

We're grateful to the following organisations and individuals who, alongside many other generous supporters, including private philanthropists and royalty donors, have provided funding during the last year:

The A D Charitable Trust
Bloomberg Philanthropies
Comic Relief UK & Comic Relief US
European Commission
GHR Foundation
Kahane Foundation
Latin American Children's Trust
MacArthur Foundation
The Noble Collection
Potted Productions Ltd
UBS Optimus Foundation
United States Agency for International Development (USAID)
Warner Bros.

We're also grateful for the support and expertise generously provided by:

American Airlines
The Blair Partnership
Herbert Smith Freehills LLP
Kathy Bates
Kirkland & Ellis LLP
Locke Lord LLP
Pottermore Publishing
Richard Curtis
Scholastic
Sonia Friedman Productions, Colin Callender, Harry Potter Theatrical Productions
StonehillsSalt PR

THANK YOU

Our work wouldn't be possible without the generosity of others, and we're grateful to all of our supporters for their contributions in 2020.

PRINCIPAL RISKS

Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission guidance. This register assesses the likelihood and impact of key corporate risks across the following areas: governance; operations; finance; programmes; external and safeguarding. The register is reviewed and updated quarterly by risk owners and the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is dedicated risk session with the Board once a year.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

In 2020 Lumos updated its risk management arrangements following an external review. This resulted in the implementation of more comprehensive risk management processes which are better aligned with the charity's work, and which build on strong practices in the areas of security and safeguarding. In Q1 2021 the charity reviewed and updated its internal risk management policy. It will take further steps in Q3 and Q4 to embed risk management within the wider organisation including by the provision of risk management training as part of a new project management framework.

The charity has identified the following six key risk areas from its corporate risk register, and continues to review them regularly as part of its approach to risk management:

1) Operational risks: uncertain future impact of COVID-19 – the risk that the COVID-19 pandemic will have continued serious impacts to those helped by our programme work, staff health and wellbeing, operations and income.

Mitigating actions: (i) programmes/ safeguarding: risks incorporated into programme work and planning; regular monitoring and reporting on safeguarding risks; (ii) staff: ongoing review of country situations and robust return to office working process consistent with local law; (iii) risk to income: see risk area 2 below; and (iv) a dedicated Covid-19 committee meets monthly to review latest developments and approve office/face to face working and travel arrangements.

2) Financial risks: balancing income and expenditure – the risk that income will not cover expenditure with the result that the charity's reserves are depleted and its programme work and staff are affected (this risk has been exacerbated by the COVID-19 pandemic).

Mitigating actions: (i) strong collaboration between the Finance and Fundraising functions in income monitoring and forecasting; (ii) contingency planning around events fundraising in view of COVID-19, (iii) diversification of funding sources; (iv) stronger oversight and monitoring of income and expenditure and related financial planning; and (v) greater scrutiny of and support to fundraising plans and performance by senior management and Board.

3) Operational risks: country instability impacts programme work and staff – the risk to programme work and staff security from political unrest and general instability in countries where Lumos operates.

Mitigating actions: (i) improve staff awareness of Lumos security procedures by training on security and crisis management policy and protocols; (ii) close monitoring of high risk programmes through regular calls with country offices; and (iii) detailed review of local context for future programme work.

4) Safeguarding risks: the risk of harm to children through the charity's programme work with related risks to the charity's reputation and finances.

Mitigating actions: (i) improvements to safeguarding due diligence procedures and staff training; (ii) implementation of the updated global safeguarding policy and related reporting protocols with associated staff training and capacity building; and (iii) integration of safeguarding into programme design and reporting.

5) External risks: the risk of negative media interest in the charity as a result of its association with a partner organisation or other key stakeholder, related to an incident which is not connected with Lumos or its work, with reputational and potentially financial implications to the charity.

Mitigating actions: (i) updated due diligence processes and training with associated compliance, monitoring and reporting; (ii) specialist communications support; and (iii) crisis response protocols.

6) Programmatic risks: the risk that the implementation of a new strategy and operating model during an organisational transition period could lead to impacts to programme delivery including to those we help, our reputation and to fundraising.

Mitigating actions: (i) strong safeguarding processes during transition of programme work; (ii) regular review and adaptation of the implementation plan for the new operating model as needed; (iii) strong communication with key stakeholders and donors associated with the new strategy and transition.

FINANCIAL REVIEW

A summary of the year's results can be found on page 55 of the attached accounts.

Lumos financial results summary	2020 £'000	2019 £'000
Total income	5,518	9,732
- Funds from individual giving	1,007	6,935
- Grant income	2,703	1,475
- Income from royalties	1,680	1,101
- Investment and other income	128	221
Total expenditure	9,925	12,756
- Charitable activities	8,138	10,445
- Cost of raising funds	1,787	2,311
Other (losses)/gains	(363)	541
Net Funds movement	(4,770)	(2,483)
Reserves carried forward	6,731	11,501
- Unrestricted	6,490	11,251
- Restricted	241	250

Over the past five years Lumos has gone through a period of planned, accelerated expenditure growth. This was due to a number of large global projects to help return children to their families and in response to natural disasters, particularly in Haiti.

This global expansion plan is reflected in the accounts, with staff numbers increasing significantly as several new programmes were established. While income increased in 2019 through a varied range of online fundraising activities and events, it did not keep pace with the expenditure on expansion of our programmes and staffing. The difference between income and expenditure was funded by reserves, and we remained committed to reaching those children who were separated from a safe and loving family.

Many charities have been negatively affected by the coronavirus pandemic, with Lumos unable to hold many fundraising events, traditionally a major source of income. During 2020, Lumos undertook a significant change programme, including the publication of a new strategy, a restructuring of its operations and a reduction in headcount. Lumos senior leadership and the Board have agreed a strategy to achieve a balanced budget, without letting the reserves fall below £1.5m. Our aim is to maintain a sustainable platform for our future operations.

Investment policy and performance

Lumos' funds available for investment are managed by Close Brothers Asset Management (CBAM), who have been carefully selected by the Board and mandated to manage such funds to protect the value of the funds as they are drawn down to fund the planned growth. This is done through investment in a diversified portfolio of equities, bonds and alternative assets. CBAM's positioning and performance are formally reviewed by the Board's Finance & Risk Committee quarterly. The funds held by CBAM are managed in accordance with the charity's Investment Mandate, which is set by the Trustees.

At year end, funds managed by CBAM on behalf of Lumos amounted to £1,536k. Following a strong absolute and relative performance in 2019 the portfolio faced more challenging times in 2020, both in terms of volatile markets but also in terms of providing for near and medium term financial commitments. As an act of prudence monies were raised to match outgoings and the remaining portfolio risk level was reduced to reflect the potential for further funding needs.

Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2020, there were no fundraising complaints.

Our fundraising strategy is designed to increase and diversify sustainable revenue streams to mitigate against the risk from vulnerabilities within different funding sectors. As with many charities, our income is at risk due to fluctuations in the economy, regulatory changes, and shifting donor priorities, and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

Reserves policy and going concern

The Trustees balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The charity holds sufficient unrestricted funds for the following purposes:

To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth. In addition to fundraising risk, there are also risks of stock market variations, which may negatively impact the value of the investment portfolio and future levels of return.

Unrestricted funds are used to manage the negative cash flow during the year, as Lumos typically receives the majority of its income in the final quarter.

To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

To support working capital funding requirements

In a number of Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of income in the second half of the year which has an impact on the cash flows of the charity.

To help to protect Lumos work beyond the current year

In the event of a sustained downturn in income, Lumos would require a period of time to make adjustments to programmes in order to minimise any related impacts to children. This includes the established country demonstration programmes in Europe, Latin America and the Caribbean programmes in Haiti and Colombia, and technical support that is provided to a number of countries around the world, where Lumos does not have a physical presence.

Finally, Lumos retains funds to maintain its 100% pledge to the public, so that no portion of their donation is used to fund overhead costs.

COVID-19 Implications

The COVID-19 pandemic has had a significant, immediate impact on the organisation's operations and, at the present time, it is still not clear how long the current circumstances are likely to last and what the long term impact will be. In many programmes, expenditure has been reduced through limitations in operations as a consequence of COVID-19 restrictions. This reduction in expenditure has restricted income in our grant and statutory funded programmes.

Some staff were furloughed and salary costs have been supported by government assisted programmes both in the United Kingdom, the United States of America and Belgium. Since April 2021, no staff have been furloughed.

Lumos has taken steps to reduce non-essential expenditure.

Significant events-based fundraising activities in 2020 were cancelled. A targeted COVID-19 appeal in 2020 and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2020 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

Funds

Our target base level of general reserve is £1.5m and the ratio calculated is equivalent to approximately 3 months operating expenses.

At 31 December 2020, Lumos had total funds of £6.7m (2019: £11.5m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2020 is £5.3m (2019: £9.9m).

Restricted funds (£0.2m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Unrestricted funds (£6.5m)

Conclusion

Given the level of reserves and the prudent steps taken in 2020 to reduce expenditure by pausing non-essential work and furloughing some staff, coupled with the organisational review that better aligns income and expenditure resulting in reduced expenditure for 2021 & 2022, means the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

DIRECTORS' REPORT:

GOVERNANCE AND FINANCIAL STATEMENTS 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in January 2016. Lumos' objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.
- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: all children grow up in safe and loving families; (ii) mission: to fight for every child's right to a family, by transforming care systems around the world.

Governance Review

In July 2019 the Trustees commissioned an external review of Lumos' governance arrangements which was carried out by Lumos' auditors, Crowe U.K. LLP. The review was based on, among other sources, the UK Charity Governance Code and included a survey of trustees and senior managers. The Review, completed in March 2020, resulted in a number of recommendations covering three principal areas: (i) the relationship between the Board and the executive leadership team, including delegation and reporting arrangements; (ii) the composition and skills of the Board of Trustees and the Board Committee structure; and (iii) the global structure. The recommendations were presented to the meeting of the Board of Trustees in April 2020. A detailed action plan to implement the recommendations was approved by the Board at the same meeting and all agreed actions were completed by early 2021.

Organisational Review

During 2020 we undertook a comprehensive review of our strategy and organisational structure to ensure that we maximise the use of our expertise and resources to have the greatest impact for vulnerable children. The review was based on a rigorous and participative assessment of the external environment and of the charity's own capabilities. As a result we developed and adopted a new strategy which has three key priorities:

1) BUILDING GLOBAL EXPERTISE: use our knowledge and experience to support those responsible for reforming care systems in their own countries. This will include learning exchanges where they can share experiences and challenges, and providing technical support, evidence and guidance to help design and run better care systems. Importantly, we'll make sure that people with lived experience of institutionalisation are included throughout the process.

2) CATALYSING CHANGE: we know that ending institutionalisation benefits children and society – and we'll use this evidence to motivate and press governments to reform the way they

care for children. This will involve leading targeted research and advocacy campaigns to identify and tackle the drivers of institutionalisation, promoting accountability by tracking and highlighting progress, and influencing international funding, programmes and policy.

3) DEMONSTRATING & INNOVATING: building on our heritage of successful programmes demonstrating how care systems can be reformed, we'll use what we've learnt to support partners with their own reform efforts. Over the next two years, as we complete our current country demonstration work in Eastern Europe, we'll identify country demonstrations programmes in new regions – building expertise and evidence of what good care reform looks like in challenging contexts, particularly for those children that typically get left behind.

In order to deliver on this new strategy, the charity made some organisational changes, restructuring our operations to form a multidisciplinary approach to tackle the challenges affecting children, and maximizing our resources to have the greatest impact. One of the fundamental changes involved in implementing the new strategy is a shift away from direct in-country delivery of long-term country programmes to the establishment of a cadre of technical experts that can work flexibly providing support in different jurisdictions.

Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. Friends of Lumos USA Ltd is a dual qualified charity that permits individuals to obtain tax relief in the United States and also in the United Kingdom, thus enabling U.S. citizens and green card holders resident in the United Kingdom to support Lumos' objectives in a tax-efficient manner.

The Lumos Foundation USA Inc. statement of financial activities results for 2020 are a deficit of £420k. During the year, Lumos Foundation Operations Limited was dormant and Friends of Lumos USA Ltd was effectively dormant.

Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 72.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. Lumos currently has eight Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2020, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

A system of Trustee appraisal operates via the People Committee. A skills audit based on a Board skills matrix was conducted in Q4 2020; this exercise helps to determine the range of skills and experience which would be required to fill existing gaps and those created by retiring Trustees in the coming year. These arrangements were reviewed and updated as a result of the governance review.

Organisation

The Chief Executive Officer and Executive Leadership Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos' work and regularly reporting progress to the Board. As part of actions implemented as a result of the Governance Review, a scheme of Board reserved and delegated matters was approved by the Board in July 2020 to improve clarity on matters which are reserved for decision by the Board and its Committees. The executive delegated authorities was also updated in 2020. Management reporting protocols updated as part of the 2020 governance review will be further refined later in 2021 as a result of the implementation of new project management and organisational results frameworks.

Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

Grant-making policy

Whilst Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos' standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos' procedures.

Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. The Trustees have appointed investment managers, Close Brothers, to manage Lumos' investment funds. Investment performance is managed by the Finance and Risk Committee.

Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 11 to the accounts.

The pay of the senior staff is reviewed annually, taking into consideration market conditions and sector averages for charities of a similar size. If recruitment has proven difficult, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.



Neil Blair
Chair of Trustees

Lumos Foundation

Date: 14 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMOS FOUNDATION

Opinion

We have audited the financial statements of Lumos Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company/group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 50, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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

Use of our report

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



Tim Redwood
Senior Statutory Auditor

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

6 August 2021

London

Consolidated statement of financial activities (including income and expenditure account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Income from:					
Royalties	1	1,680	-	1,680	1,101
Donations and Gift Aid		978	29	1,007	6,935
Investment income		99	-	99	215
Other income		29	-	29	6
Charitable activities					
Grant income	2,17	1,028	1,675	2,703	1,475
Total income		3,814	1,704	5,518	9,732
Expenditure on:					
Raising funds	4				
Raising funds and donor communication costs		1,757	-	1,757	2,262
Investment management costs		30	-	30	49
Charitable activities	5	6,425	1,713	8,138	10,445
Total expenditure		8,212	1,713	9,925	12,756
Net expenditure		(4,398)	(9)	(4,407)	(3,024)
Other recognised gains/(losses):					
Net gain/(loss) on investments	14	(301)	-	(301)	621
Exchange rate losses		(62)	-	(62)	(80)
Net movement in funds		(4,761)	(9)	(4,770)	(2,483)
Reconciliation of funds:					
Total funds brought forward		11,251	250	11,501	13,984
Total funds carried forward	18	6,490	241	6,731	11,501

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

Consolidated balance sheets as at 31 December 2020

	Notes	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Fixed assets:					
Tangible assets	13	1,038	1,038	1,212	1,212
Intangible assets	13	103	103	150	150
Investments	14	1,536	1,536	4,276	4,276
		2,677	2,677	5,638	5,638
Current assets and liabilities:					
Debtors	15	2,689	2,533	1,934	1,896
Short-term deposit		49	-	770	-
Cash at bank and in hand		2,602	2,544	4,302	4,258
		5,340	5,077	7,006	6,154
Creditors:					
Amounts falling due within one year	16	(1,286)	(2,647)	(1,143)	(1,853)
Net current assets		4,054	2,430	5,863	4,301
Total assets less current liabilities		6,731	5,107	11,501	9,939
Funds:					
Restricted funds	17	241	226	250	242
Unrestricted funds	18	6,490	4,881	11,251	9,697
Total funds		6,731	5,107	11,501	9,939

The Lumos Foundation charity statement of financial activities results for 2020: £4,832k deficit (2019: £2,560k deficit).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

Neil Blair
Trustee



Nitin Pasricha
Trustee



Date: 14 July 2021

Lumos Foundation
Registered Company Number: 05611912 (England and Wales)

Consolidated statement of cash flows

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(4,969)	(1,324)
Cash flows from investing activities:			
Dividends and interest from investments		99	215
Purchase of tangible fixed assets		-	(2)
Proceeds from the disposal of investments		2,943	4,086
Purchase of investments		(463)	(228)
Net cash provided by investing activities		2,579	4,071
Change in cash and cash equivalents in the year			
Cash and cash equivalents at 1 January 2020	B	5,127	2,576
Change in cash and cash equivalents due to exchange rate movements		10	(196)
Cash and cash equivalents at 31 December 2020	B	2,747	5,127

Notes to the statement of cash flows for the year to 31 December 2020

A) Reconciliation of net movement in funds to net cash used in operating activities

	2020 £'000	2019 £'000
Net movement in funds (as per the statement of financial activities)	(4,770)	(2,483)
Adjustments for:		
Depreciation charge	221	224
Exchange rate (gain)/loss	(10)	196
Losses/(gains) on investments	301	(621)
Dividends and interest from investments	(99)	(215)
(Increase)/decrease in debtors	(755)	1,623
Increase/(decrease) in creditors	143	(48)
Net cash used in operating activities	(4,969)	(1,324)

B) Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,602	4,302
Cash held as current asset short-term deposits	49	770
Cash held by investment managers	96	55
Total cash and cash equivalents	2,747	5,127

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The principle accounting policies, which have been applied consistently in the year, are set-out below.

Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos name and trademark that allows Lumos' strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide. Group accounts are therefore prepared consolidating Lumos Foundation USA Inc.

The sole member of Friends of Lumos USA Ltd, and thus its parent entity, is Lumos Foundation USA Inc.

Accounting estimates and areas of judgement

The Trustees do not consider there to be any accounting estimates or areas of judgement in the preparation of the accounts which result in a material effect to the financial outcome of the year.

Going concern

The COVID-19 pandemic has had a significant, immediate impact on the organisation's operations and, at the present time, it is still not clear how long the current circumstances are likely to last and what the long term impact will be. In many programmes, expenditure has been reduced through limitations in operations as a consequence of COVID-19 restrictions. This reduction in expenditure has restricted income in our grant and statutory funded programmes.

Some staff were furloughed and salary costs have been supported by government assisted programmes both in the United Kingdom, the United States of America and Belgium. Since April 2021, no staff have been furloughed.

Lumos has taken steps to reduce non-essential expenditure.

Significant events-based fundraising activities in 2020 were cancelled. A targeted COVID-19 appeal in 2020 and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2020 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

At 31 December 2020, Lumos had total funds of £6.7m (2019: £11.5m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2020 is £5.3m (2019: £9.9m).

Given the level of reserves and the prudent steps taken in 2020 to reduce expenditure by pausing non-essential work and furloughing some staff, coupled with the organisational review that better aligns income and expenditure resulting in reduced expenditure for 2021 & 2022, means the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

Royalty income is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

Investment income dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

Investments: listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

Fundraising and publicity costs: expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

Investment management costs are recognised as they are payable to the investment manager.

Charitable activities are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

Support costs are those costs incurred in connection with the management and administration of the charitable company. They have been allocated on the following bases: Administration, legal and compliance, human resources, information systems and office services costs are allocated based on head count; finance costs are allocated based on expenditure.

Pension costs contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

Grant liabilities are recognised once the charity has a constructive or legal obligation to make a payment.

Tangible and intangible fixed assets: the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	30 to 50 years
Office equipment	10 years
Fixtures and fittings	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term until the break clause
Motor vehicles	7 years
Software	5 years

Foreign currencies: monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Lease commitments: rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

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

Current asset – short-term deposit: current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

Cash at bank and in hand includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

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

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the financial statements

1) Royalty income

	2020 Total Funds £'000	2019 Total Funds £'000
Royalties from published books	1,638	949
Other royalties	42	152
Total	1,680	1,101

2) Grant income

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Trusts and foundations	835	438	1,273	884
Changing the Way We Care	–	195	195	205
United States Agency for International Development (USAID)	–	846	846	299
Grants from other governments and public bodies	152	138	290	59
Other grants	41	58	99	28
Total	1,028	1,675	2,703	1,475

3) Subsidiaries

The activities of Lumos Foundation USA Inc. (557 Broadway, New York NY 10012, USA, IRS Reference number 47-2301085) and its subsidiary Friends of Lumos USA Ltd (Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK, charity registration number 1170023, UK (England and Wales) company registration number 09502092) are consolidated into the accounts of Lumos Foundation. The net income for Friends of Lumos USA Ltd of £nil is included within the consolidated summary financial performance of Lumos Foundation USA Inc. below:

	2020 £'000	2019 £'000
Income	1,615	2,191
Expenditure	(2,036)	(2,055)
(Deficit)/surplus for the year	(421)	136
Opening reserves	2,056	2,029
Loss on foreign exchange	(46)	(109)
Opening reserves after loss on foreign exchange	2,010	1,920
Closing reserves	1,589	2,056
Reconciliation of funds		
Current assets	1,972	2,238
Current liabilities	(383)	(182)
Net current assets	1,589	2,056

3) Subsidiaries (continued)

In 2019, there was a licensing agreement between Lumos Foundation Ltd and Lumos Foundation USA Inc. for the use of intellectual property including the Lumos trademark. Pursuant to the terms of this agreement, during that year, Lumos USA Inc. paid royalties of £8k. The agreement ceased in 2020.

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £953k (2019: £891k) to cover administration and overhead costs in 2020.

In 2019, Lumos Foundation USA Inc. made a grant of £74k to Lumos Foundation to support Moldova, and Emergency Intervention. Lumos Foundation provided donated services of £nil (2019: £84k) to Lumos Foundation USA Inc.

At the year-end an amount of £1,439k (2019: £806k) was due to Lumos Foundation USA Inc. and Friends of Lumos USA Ltd owed to Lumos Foundation £12k (2019: £9k).

4) Raising funds

	2020 Total Funds £'000	2019 Total Funds £'000
Raising funds and donor communication		
Fundraising costs	1,488	1,740
Donor communication costs	45	73
Support costs (note 8)	224	449
	1,757	2,262
Investment management fees	30	49
Total	1,787	2,311

5) Charitable activities

	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2020 Total Funds £'000	2019 Total Funds £'000
Advocacy and Campaigns	1,037	299	1,336	2,234
Deinstitutionalisation in Europe	1,458	829	2,287	2,963
Deinstitutionalisation In LAC	1,997	511	2,508	2,228
Global Deinstitutionalisation	3	–	3	79
Global Training	1,005	191	1,196	1,703
Research	601	207	808	1,238
Total	6,101	2,037	8,138	10,445

6) Grants payable

	Grants to institutions 2020 Total £'000	Grants to institutions 2019 Total £'000
Catholic Relief Services	251	42
Norwegian Refugee Council	191	47
International Association of Women Judges	111	25
Save the Children Haiti	90	311
Innovative Humanitarian Solutions	47	79
Boston Children's Hospital	–	139
Stahili	–	63
Other	16	257
Total	706	963

Lumos made grants to Catholic Relief Services and International Association of Women Judges as part of the Building Enduring Systems to end Trafficking project in Haiti, which delivers transformative progress on ending human trafficking, with a focus on child trafficking.

The grants to Norwegian Refugee Council are for the implementation of a family based care project in Ethiopia, Tigray refugee camps. Amongst the planned activities included: monitoring of foster placements, providing allowances to children in foster care, carrying out training on case management and camp-wide awareness raising on family base care.

Lumos made grants to Save the Children to support Lumos Haiti's deinstitutional activities in Haiti.

7) Support costs

	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2020 Total Funds £'000	2019 Total Funds £'000
Admin, Legal and Compliance	115	284	399	564
Finance	54	349	403	618
Human Resources	30	392	422	696
Information Technology	17	169	186	208
Office Services	8	843	851	850
Total	224	2,037	2,261	2,936

The above costs have been apportioned between activities based on an estimate of time spent by staff on them. There was an overall reduction in support costs because of the impact of, and restrictions caused by, the COVID-19 pandemic on programmatic work.

8) Governance costs

	2020 £'000	2019 £'000
Legal and Professional fees	105	93
Other costs	5	1
Total	110	94

9) Net income for the year

Net income for the year is stated after charging:

	2020 £'000	2019 £'000
Group Auditor's remuneration		
Audit services - Group	19	20
Audit services – Friends of Lumos USA	3	2
Advisory services	19	12
Payroll and tax services	16	15
Lumos USA Auditor's remuneration		
Audit services – Lumos USA	9	16
Other services	1	3
Depreciation of owned fixed assets	221	223
Operating lease rentals		
Land and building	276	263

10) Staff costs and remuneration of key management personnel

The staff headcount numbers for the period are as follows:

	2020 No.	2019 No.
Management and administrative staff	34	40
Fundraising and donor communication staff	15	18
Programmes staff	93	91
Total	142	149

Staff costs relating to the above persons are as follows:

	2020 £'000	2019 £'000
Wages and salaries	5,182	5,484
Social security costs	632	718
Pension costs	241	244
	6,055	6,446
Agency staff	59	184
Total	6,114	6,630

10) Staff costs and remuneration of key management personnel (continued)

The number of employees whose emoluments during the year exceeded £60,000 were:

	2020 No.	2019 No.
£60,001–£70,000	6	3
£70,001–£80,000	3	3
£80,001–£90,000	3	1
£90,001–£100,000	1	2
£100,001–£110,000	1	3
£110,001–£120,000	2	–
£120,001–£130,000	–	1
£130,001–£140,000	–	1
£140,001–£150,000	1	–
£160,001–£170,000	–	1
£170,001–£180,000	1	1
£190,001–£200,000	1	–
£220,001–£230,000	1	–
Total	20	16

Pension costs totalling £139k (2019: £82k) were paid in respect of the above employees.

The key management personnel of the Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £1,141k (2019: £1,096k).

During 2019, there was a planned expansion in senior staff operations in the United States where salaries and health care contributions are notably higher than in the UK, which was reflected in the 2020 results. During the year the trustees decided to reduce the number of such staff as part of an organisational restructure and this will be reflected in the 2021 results.

During 2020, termination payments were paid of £250k (2019: £120k). There was an increase for 2020 because of the effects of the COVID-19 pandemic and as a result of the restructure, which reduced the number of US and UK senior staff.

11) Trustees expenses and remuneration

During the year, the charity reimbursed the Blair Partnership £89k (inclusive of VAT) for the cost of professional services incurred by the Charity but settled by the Blair Partnership. Neil Blair is the founding partner of the Blair Partnership. The amount was settled after the year end.

In 2020, Lumos Foundation received royalty income totalling £559,331 (2019: £142,464) from Pottermore, of which Neil Blair is a Director. £47,553 of this amount was outstanding at 31 December 2020 (2019: £33,357).

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2019: £nil).

Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £nil (2019: £95 related to one trustee).

12) Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

13) Tangible and intangible fixed assets of Charity and Group

	Intangible Fixed Assets	Tangible Fixed Assets				Tangible and Intangible Fixed Assets
	Software £'000	Land and Buildings £'000	Leasehold Improve- ments £'000	Furniture, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 January 2020	231	862	376	399	47	1,915
Additions	–	–	–	–	–	–
Disposal	–	–	–	(3)	–	(3)
At 31 December 2020	231	862	376	396	47	1,912
Depreciation						
At 1 January 2020	81	58	144	237	33	553
Charge for the year	47	19	75	76	4	221
Disposal	–	–	–	(3)	–	(3)
At 31 December 2020	128	77	219	310	37	771
Net book value						
At 31 December 2020	103	785	157	86	10	1,141
At 31 December 2019	150	804	232	162	14	1,362

Lumos Foundation Land and Buildings represent six properties in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the assets to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding. The grant of properties is planned to take place in 2021 but had not happened at the time of the accounts being signed.

14) Investments of Charity and Group

	2020 £'000	2019 £'000
Listed investments		
Market value at 1 January	4,221	7,458
Additions at cost	463	228
Disposals proceeds	(2,943)	(4,086)
Net investment (losses)/gains	(301)	621
Market value at 31 December	1,440	4,221
Cash held by investment managers for reinvestment	96	55
Total	1,536	4,276

14) Investments of Charity and Group (continued)

Listed investments held at 31 December 2020 were managed on behalf of Lumos by Close Brothers and comprised the following:

	2020 £'000	2019 £'000
UK fixed interest	726	998
UK equity	148	1,018
Overseas equity	422	1,738
Commodities	22	55
Property	19	68
Alternatives	103	344
Market value at 31 December	1,440	4,221
Cost of listed investments at 31 December	1,296	3,194

15) Debtors

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Other debtors	114	114	101	101
Prepayments	87	87	109	109
Accrued royalty income	886	886	478	478
Other accrued income	1,602	1,446	1,246	1,208
Total	2,689	2,533	1,934	1,896

16) Creditors: amounts falling due within one year

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Trade creditors	366	348	338	273
Taxation and social security	10	10	48	26
Accruals	424	284	401	401
Amounts due to subsidiary undertakings	—	1,546	—	797
Other creditors	486	459	356	356
Total	1,286	2,647	1,143	1,853

17) Restricted funds

	At 1 Jan 2020 £'000	Income £'000	Expenditure £'000	At 31 Dec 2020 £'000
Trusts and foundations	28	438	264	202
Deinstitutionalisation in LAC	187	20	207	–
United States Agency for International Development (USAID)	–	846	846	–
Changing the Way We Care	–	195	195	–
Paycheck Protection Program (PPP)	–	138	138	–
Other	35	67	63	39
Total	250	1,704	1,713	241

	At 1 Jan 2019 £'000	Income £'000	Expenditure £'000	At 31 Dec 2019 £'000
Trusts and foundations	455	117	544	28
Deinstitutionalisation in LAC	775	–	588	187
United States Agency for International Development (USAID)	–	299	299	–
Changing the Way We Care	–	205	205	–
European Commission (EC)	5	59	64	–
Other	79	38	82	35
Total	1,314	718	1,782	250

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

• United States Agency for International Development (USAID)

USAID grant to Lumos funds towards the Building Enduring Systems to end Trafficking project in Haiti, to deliver transformative progress on ending human trafficking, with a focus on child trafficking.

• Changing the Way We Care

CTWWC is a consortium of Catholic Relief Services, Lumos and Maestral International delivering a programme designed to move the needle on care reform through demonstration projects in three countries alongside global campaigning and advocacy.

18) Analysis of net assets between funds of Group and Charity

The net assets of the Group analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Tangible fixed assets	1,038	–	1,038	1,212
Intangible fixed assets	103	–	103	150
Investments	1,536	–	1,536	4,276
Current assets	5,099	241	5,340	7,006
Current liabilities	(1,286)	–	(1,286)	(1,143)
Total	6,490	241	6,731	11,501

Included within investments above are cumulative unrealised losses of £301k (2019: gains of £621k).

The net assets of the Charity analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Tangible fixed assets	1,038	–	1,038	1,212
Intangible fixed assets	103	–	103	150
Investments	1,536	–	1,536	4,276
Current assets	4,851	226	5,077	6,154
Current liabilities	(2,647)	–	(2,647)	(1,853)
Total	4,881	226	5,107	9,939

19) Financial commitments

At 31 December 2020 the charitable company has total minimum lease commitments under non- cancellable leases as follows:

	Land and Buildings	
	2020 £'000	Restated 2019 £'000
Within one year	214	222
Between one and five years	858	857
Longer than five years	418	632
Total	1,490	1,711

20) Comparative Consolidated Statement of Activities and Movement of Funds

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total Funds £'000
Income from:				
Royalties	1	1,101	—	1,101
Donations and Gift Aid		6,925	10	6,935
Investment income		215	—	215
Other income		6	—	6
Charitable activities				
Grant income	2,17	767	708	1,475
Total income		9,014	718	9,732

Expenditure on:

Raising funds	4			
Raising funds and donor communication costs		2,262	—	2,262
Investment management costs		49	—	49
Charitable activities	5	8,663	1,782	10,445
Total expenditure		10,974	1,782	12,756
Net expenditure		(1,960)	(1,064)	(3,024)

Other recognised gains/(losses):

Net gain/(loss) on investments	14	621	—	621
Other recognised losses		(80)	—	(80)
Net movement in funds		(1,419)	(1,064)	(2,483)

Reconciliation of funds:

Total funds brought forward		12,670	1,314	13,984
Total funds carried forward	18	11,251	250	11,501

Reference and administrative details

President of Lumos Foundation (UK) and Patron, Lumos Foundation USA Inc.

J.K. Rowling

Trustees, Lumos Foundation (UK)

A. Ahmed (resigned 24 March 2021)

N. Blair (Chair of Trustees)

D. Cohen

C. Copland

W. DiMichele (appointed 14 July 2020)

N. Gill (appointed 20 April 2020)

M. Lee-Izu (resigned 11 December 2020)

D. Moore

T. Motie

N. Pasricha (Treasurer) (appointed 8 April 2020)

R. Suss (resigned 16 February 2020)

Directors, Lumos Foundation USA Inc.

B. DiMichele (Chair)

A. Christopoulos (Secretary, resigned 14 September 2020)

R. Singleton (Secretary, appointed 14 September 2020)

L. Little (Treasurer)

L. Robbins (appointed 5 March 2020)

Chief Executive Officer, Lumos Foundation (UK)

G. Mulheir (on sabbatical from July 2019, resigned October 2020)

R. Singleton (from September 2019 to 23 June 2021)

P. McDermott (from 23 June 2021)

Company Secretary, Lumos Foundation (UK)

N. Williams

Registered Office

Lumos Foundation (UK)
Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

Lumos Foundation USA Inc.

557 Broadway, New York NY 10012, USA

Friends of Lumos USA Ltd

Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

Lumos Foundation Operations Ltd.

Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

Lumos Foundation -UK Company registration number

05611912 (England & Wales)

Lumos Foundation -UK Charity registration number

1112575

US IRS reference number

47-2301085

Friends of Lumos USA Ltd – UK Company registration number

09502092 (England & Wales)

Friends of Lumos USA Ltd – UK Charity registration number

1170023

Lumos Foundation Operations Ltd – UK Company registration number

12369753 (England & Wales)

Auditor (UK)

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

Bankers (UK)

HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ, UK

Solicitors (UK)

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, UK

Investment Managers (UK)

Close Brothers, 10 Exchange Square, Primrose Street, London EC2A 2BY, UK

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WE’VE BEEN ABLE
TO SUPPORT REUNITED
FAMILIES AND HELP
STRENGTHEN THEIR
ABILITY TO KEEP
THEIR CHILDREN
SAFE AND HAPPY.”

TESSICA, LUMOS HAITI

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