THE SAVE THE CHILDREN FUND

England & Wales · Charity number 213890

Details

Other names	SAVE THE CHILDREN
Status	Registered
Legal form	Charitable company
Company number	00178159
Registered	1962-10-10
Register	View on the Charity Commission register

Contact

Address	Save the Children 1 St. John's Lane London EC1M 4AR
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Website	www.savethechildren.org.uk

Activities

Objects: TO RELIEVE THE DISTRESS AND HARDSHIP, AND TO PROMOTE THE WELFARE OF CHILDREN IN ANY COUNTRY OR COUNTRIES, PLACE OR PLACES WITHOUT DIFFERENTIATION ON THE GROUND OF RACE, COLOUR, NATIONALITY, CREED OR SEX AND TO EDUCATE THE PUBLIC CONCERNING THE NATURE, CAUSES AND EFFECTS OF DISTRESS, HARDSHIP AND WANT OF WELFARE AS AFORESAID, AND TO CONDUCT AND PROCURE RESEARCH CONCERNING THE SAME AND TO MAKE AVAILABLE THE USEFUL RESULTS THEREOF TO THE PUBLIC.

Activities: TO RELIEVE THE DISTRESS AND TO PROMOTE THE WELFARE OF CHILDREN IN ANY COUNTRY OR COUNTRIES, WITHOUT DIFFERENTIATION ON THE GROUND OF RACE, COLOUR, NATIONALITY, CREED OR SEX TO EDUCATE THE PUBLIC CONCERNING THE NATURE, CAUSES AND EFFECTS OF DISTRESS, AND WANT OF WELFARE AS AFORESAID, AND TO CONDUCT AND PROCURE RESEARCH CONCERNING THE SAME AND TO MAKE AVAILABLE THE USEFUL RESULTS THEREOF.

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Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, 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
- **Who:** Children/young People

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Geography

- **Area of benefit:** WORLDWIDE
- Afghanistan
- Albania
- Australia
- Bangladesh
- Belgium
- Bhutan
- Bolivia
- Brazil
- Burkina Faso
- Burma
- Cambodia
- Central African Republic
- Chile
- China
- Colombia
- Comoros
- Congo (Democratic Republic)
- Ecuador
- Egypt
- El Salvador
- Ethiopia
- Finland
- Germany
- Greece
- Guatemala
- Guinea
- Haiti
- India
- Indonesia
- Iraq
- Israel
- Ivory Coast
- Japan

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- Jordan
- Kenya
- Laos
- Lebanon
- Liberia
- Malawi
- Mali
- Mexico
- Morocco
- Mozambique
- Nepal
- Netherlands
- Nicaragua
- Niger
- Nigeria
- North Korea
- Northern Ireland
- Norway
- Occupied Palestinian Territories
- Pakistan
- Panama
- Peru
- Philippines
- Romania
- Rwanda
- Senegal
- Serbia
- Sierra Leone
- Singapore
- Somalia
- South Africa
- South Sudan
- Sri Lanka
- Sudan
- Switzerland

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- Syria
- Tajikistan
- Tanzania
- Thailand
- Turkey
- Turkmenistan
- Uganda
- Ukraine
- United States
- Vanuatu
- Vietnam
- Yemen
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£304,833,787	£308,810,973	£70,638,000	910
2023-12-31	£296,015,000	£295,425,000	£73,580,000	885
2022-12-31	£294,356,000	£286,371,000	£69,675,000	862
2021-12-31	£240,409,000	£235,928,000	£64,477,000	904
2020-12-31	£288,730,000	£283,161,000	£58,616,000	925

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Trustees

Name	Role	Appointed
Dr Tsitsi Dadirai Chawatama-Kwambana	Chair	2021-01-25
Catherine Ann Doran		2022-12-01
Dr Tamsyn Sherlle Barton		2025-07-01
Jason Daniel Graeme Allen		2024-01-31
Kajal Odedra		2019-07-16
Laura Catherine King		2024-01-31
Richard Thomas George WINTER		2020-01-13
Stuart Russell McMinnies		2025-03-06
TIMOTHY FALLOWFIELD		2023-02-23

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THE SAVE THE CHILDREN FUND

England & Wales - Charity number 213890

Accounts

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ANNUAL REPORT 2024

Save the Children



CHANGE NOW AND FOR THE FUTURE

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WHO WE ARE

Save the Children's ambition is a world in which every child has the right to survive, learn and be protected. We were founded on the belief that every child deserves the chance of a future. This belief underpins everything we do.

We support children to transform their lives. We put children's rights at the core of all our work. We also tackle big problems that hold children back – like poverty and inequality – while calling on leaders to stand up for them. We are committed to making a positive, lasting difference for and with children.

Save the Children works in partnership with local organisations and communities; volunteers and the public; social movements and civil society groups; governments and international institutions; private sector organisations; foundations and philanthropists; artists and ambassadors; and, above all, with children and families to create change that lasts a lifetime.

IN MEMORY

We dedicate this report to the Save the Children staff and volunteers who lost their lives during the past year. We will remember them, and the impact they had for children will live on. Our deepest condolences go to their families, friends and colleagues.

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Names marked with * have been changed to protect identities.

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"Poverty stops people becoming what the future needs"

Maddy and Aisha are part of a group of young people with experience of poverty we have worked with since 2023. In 2024, we offered them creative and campaigning opportunities that aligned with their personal goals. Maddy was a key media spokesperson in the Our generation. Our vote campaign (page 36). Aisha, an aspiring illustrator, designed a Save the Children calendar, which we sold in our stores and online (page 36).

AISHA, 19, MANCHESTER

My family has been financially unstable most of my life for various reasons. I started noticing it was when I was younger: I couldn't get the new thing that my friends could. I'm still jealous. They have new stuff; they get to have more life experiences.

I'm still very grateful for all I've got. My mum gave me the best childhood she could and there's a lot of kids that have it worse than me. But I feel scared that I'm missing out on my childhood. I feel like I'm racing to be a grown up so that I can get a job and resolve the situation my family is in.

Sharing my experiences as part of the Save the Children project, as well as listening to other young people, was an amazing way to deal with my own feelings. Making my film in 2023 was important because people should know that poverty isn't just about not having the latest things, it seeps into every part of your life. For children experiencing poverty, it can feel incredibly lonely. Poverty isn't just an issue that affects individuals. It impacts society too. I'm hoping my work builds a bridge between different groups and helps people understand each other better.

MADDY, 18, NEWCASTLE

As a child you need water, food, shelter, clothes, and warmth. These are the fundamentals and basic needs for anyone, but more important to developing children. Childhood poverty can hinder these and cause issues such as illness, bullying, poor mental health and many more.

If everyone struggles with poverty and prices keep inflating that means expensive education can't be reached, resulting in the UK not having skilled professionals such as police, dentists, firefighters, welders, engineers, plumbers, electricians, and teachers.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

Young creative Maddy made a film about UK poverty for Save the Children.

Poverty stops people becoming what the future needs. The cure for disease can't be found if a child who would grow to do that is worried about when they're next going to get a meal. The next prime minister cannot make change in the UK if they're currently using candles and flashlights to revise for their GCSEs.

The NHS is a vital service for everyone, but if the nurses and doctors struggled with childhood poverty, and the rates of childhood poverty keep increasing, then who is going to heal your wounds if they're not there? This is why childhood poverty is such an important issue to face in the UK. It's important that we deal with why it's happening and how we can fix it.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

Filmmaker Aisha (centre) at a screening of the film in Parliament.

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CREATING LASTING CHANGE FOR CHILDREN AND FAMILIES



HRH Princess Anne meets volunteers at the Mary's Living and Giving shop in Wandsworth.

PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

In a year when children and their families around the world faced so many challenges, Save the Children was hard at work, bringing assistance where it was most needed.

This report shows how our programme and advocacy work helped children get the support they need to survive and thrive. From delivering humanitarian aid in Gaza to bringing education to out-of-school children in Myanmar and training community health workers to provide vital services in Kenya, Save the Children and our partners brought about immediate and lasting change for children.

In the United Kingdom, we provided financial support to families in need, and enabled families living in poverty to share their experiences publicly to drive change. In Belfast, Cardiff and London, we worked with partner organisations to create opportunities for children to learn through play.

I pay tribute to the many people – staff, local partners, supporters and volunteers – who make this vital work possible, often in dangerous and challenging circumstances.

In 2024, I had the opportunity to meet with passionate individuals whose efforts further our mission. From dedicated staff in our London office, to generous volunteers in the Wandsworth Mary's Living & Giving shop. I was also pleased to visit the local branch community and birthplace of our founders, who in 1919 changed the way the world looked at children. Today, thousands in the UK and around the world continue to support our organisation to have the greatest possible impact for children.

I would like to express my gratitude to everyone who contributed to the remarkable achievements of Save the Children in 2024.



HRH The Princess Royal
Patron, Save the Children UK

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MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

2024 was a turbulent year. In many places around the world, including Sudan, the occupied Palestinian territory, Israel, the Democratic Republic of Congo and Ukraine, children were subjected to the horror and brutality of conflict. Worldwide, millions of children faced hunger, disease and denial of their rights. Our staff and partners worked tirelessly to support children in the toughest situations. And we amplified their voices, leading calls for change to policies and practices that affect them.

The conflict in Gaza, Israel and the West Bank was a huge priority. Despite the extremely challenging context, we brought life-saving services to people in Gaza. We also mobilised support in the UK for a definitive ceasefire and an end to arms exports to Israel. Thank you to the more than 100,000 people who signed our petition. Tragically, several colleagues lost their lives in Gaza. We remember them, and our thoughts are with their families.

The effects of climate change too are having catastrophic impacts on young lives. The hottest year on record saw devastating floods, drought, heatwaves and wildfires across the globe. We published important research on the effects of heatwaves on children, and shared learning from our programmes about how early assistance can help communities cope better with climate disasters (see page 22).

EVERY CHILD MATTERS

We worked hard to reach the most marginalised and discriminated against children. In the Democratic Republic of Congo, Sudan, Myanmar, Kenya and Nigeria, we worked with international and local partners to bring education, health and nutrition services to children whose needs were not being met. Our work to ensure children in Sierra Leone are better protected from child marriage and other forms of abuse bore important fruits (see page 20).

At key global events, we presented data and evidence from our work and called for changes to policies and practices that affect children's lives.

In the UK, we stood by parents who are trying to give their children the best start in life in difficult circumstances. We worked with communities to create opportunities for children to learn through play. And we made sure parents' and children's voices were heard when the UK and devolved governments made key decisions about tackling child poverty.

LOOKING AHEAD

2024 was the last year of our 2022–24 strategy. Work over the three years showed us that despite tough times, we can make children's lives better when we put power and resources into the hands of the communities closest to our work, whether in the UK or overseas. This informed the development of a new three-year strategy to guide our work up to 2027. You can read about our three key goals on page 5.

We had several changes in leadership over the year. Gwen Hines stepped down as Chief Executive Officer in February 2024 and Gemma Sherrington took the reins as Interim CEO until Moazzam's appointment in January 2025. Richard Winter was the Interim Chair of the Board until Tsitsi returned from maternity leave in August 2024. We thank Gwen, Gemma and Richard for their leadership.

The following pages give snapshots of some of the vital work we did in 2024. We hope you'll enjoy reading the projects, case studies and stories – and we hope you'll feel inspired. All of you – our brilliant staff, volunteers, partners, supporters and donors – made this possible. Our work wouldn't exist without you.

The first months of 2025 have seen some dramatic changes to the context of our work. Cuts in overseas aid from the UK and other governments, ongoing crises, and the unpredictable geopolitical landscape all mean there are big challenges ahead. Together, we will rise to those challenges and hold true to our mission to bring immediate and lasting changes for children.



Moazzam Malik
CEO,
Save the Children UK



Dr Tsitsi Chawatama-Kwambana
Chair of Trustees,
Save the Children UK

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A GLOBAL MOVEMENT

Save the Children UK is one part of the Save the Children movement, a global membership organisation made up of Save the Children International and 30 national members. We share one name and one ambition: a world in which every child has the right to survive, learn and be protected.

In 2024, the Save the Children global movement directly supported 41.2m children in 93 countries around the world.

MEMBER OF A GLOBAL MOVEMENT

In 2024, Save the Children UK supported the global movement in 41 countries. We provided technical expertise, funding, strategic and governance support, advocacy, programme management and humanitarian response work. We also supported staff, partners and the wider humanitarian sector with capacity-strengthening programmes.

OUR SHARED 2030 AMBITION

The Save the Children movement's long-term 2030 ambition, which is aligned with the UN's Sustainable Development Goals, focuses on three global breakthroughs:

- SURVIVE: By 2030, no child will die from preventable causes before their fifth birthday.
- LEARN: By 2030, all children will learn from a good-quality basic education.
- BE PROTECTED: By 2030, violence against children will no longer be tolerated.

2022–24 STRATEGY

In the final year of our 2022–24 strategy, we continued to work with and for children to bring about lasting change in the UK and around the world. We delivered towards four global goals for children:

- A healthy start in life
- A safe return to school and access to quality learning
- A childhood free from violence
- Resilience to cope in tough times

We tackled the triple threat of the climate crisis, conflict and the long effects of COVID-19, prioritising the rights of those children worst affected by inequality and discrimination. In the UK, we focused on children's learning and practical support for families in poverty. We accelerated our ability to bring about lasting impact by:

- Advocating, campaigning and mobilising for child rights
- Shifting power and resources to children, communities and local partners



PHOTO: YAGAZIE EMEZI/ SAVE THE CHILDREN

Claire* gave birth to Aime* with the support of midwife Anne at our medical centre in Mahama refugee camp in Rwanda.

- Creating shared-value partnerships that contribute impact, influence, income, engagement and skills
- Building a kind, inclusive and agile organisation
- Optimising and futureproofing our resources
- Embedding data-driven and evidence-based decision-making and enhancing our digital and technology skills

VISION FOR CHILDREN AND 2025–27 STRATEGY

Over the course of 2024, we developed a new vision to guide our work to 2030 and a strategy for the next three years. We will aim for a world where every child is thriving, heard and valued, and hopeful for a more just, equal and sustainable future. Between 2025–27, three organisational goals will guide our contribution to that vision and our movement's shared ambitions:

- Collective Impact: We will advance children's rights by working alongside and building the power of children, communities, and local partners in the UK and around the world.
- Public Impact: We will build an active community of people in the UK who give money and take action to secure long-lasting change for children.
- Culture of Impact: We will transform into a lighter, more joyful, purposeful and connected, human-centric organisation that creates deep impact for children.

DELIVERING CHANGE THAT LASTS

We want to deliver change for children now as well as long-lasting change to policies and practices that affect them. We are committed to putting power and resources into the hands of communities and countries closest to our work. This means sharing our experience, data, knowledge and skills to forge truly equitable partnerships. It also involves elevating the voices and views of children wherever we can. Every child matters and we want to reach the most marginalised and discriminated against.

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HIGHLIGHTS 2024

In numbers

41.2 million children reached through our movement's health, nutrition and education programmes in 2024.

100,000 supporters called for a ceasefire as part of our campaigning for children in the occupied Palestinian territory.

£31 million raised for our emergency response work from our supporters and through our partnership with the Disasters Emergency Committee.

3,351 volunteers gave their time, energy and skills to support our cause.



PHOTO: FATIMA TUJ JOHORA/ SAVE THE CHILDREN



PHOTO: HUGH KINSELLA CUNNINGHAM/ SAVE THE CHILDREN

Practical work with parents, reaching the most marginalised and discriminated-against children

In the Democratic Republic of Congo, we worked with international and local partners to increase access to education for 60,000 children who were out of school or at risk, including girls, teenage mothers and children with disabilities.



PHOTO: JONATHAN HYAMS/ SAVE THE CHILDREN

Working in the UK in partnership with local communities

We gave disadvantaged children across the UK a chance to learn through play through our work with local community groups.

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Generating evidence and calling for change to policies and practices

Our finding that 766 million children were exposed to extreme heatwaves in the past year backed our advocacy for significant changes in national and international climate policy.



PHOTO: INSIYA SYED/ SAVE THE CHILDREN



PHOTO: SAVE THE CHILDREN

Changing the here and now for children in Gaza

Despite the difficult and dangerous context, we brought lifesaving services to families in Gaza to support them right now, including cash, clean water, and also safe spaces for children and primary healthcare centres to help them face the future.

Political education and giving young people a voice

Our Generation. Our Vote, a project we ran with 21 youth organisations, saw children in England and Wales learn about politics, and vote in a children's election. Just under 23,000 votes were cast.



PHOTO: ANNA GORDON/ SAVE THE CHILDREN



PHOTO: SAM WRIGHT/ SAVE THE CHILDREN

Fundraising for long term change

More than 2.2 million people took part in Christmas Jumper Day, raising £2.3 million so far.

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OUR WORK AROUND THE WORLD

LIFE SAVING IMPACT FOR CHILDREN THROUGH HUMANITARIAN ACTION

2024 was a year marked by conflict and the global climate emergency. In the occupied Palestinian territory and Ukraine, conflicts devastated lives, with children paying the heaviest price. Other conflicts didn't even make the headlines, such as the one in Sudan, which is experiencing the world's largest displacement crisis and where famine has been declared in parts of the country. The effects of climate change wreaked havoc on children's lives. 2024 was the hottest year on record, with devastating floods in the Sahel, east Africa and Europe; drought in Southern Africa and the Americas; and heatwaves and wildfires across the globe.

Alongside our partners, we brought humanitarian assistance to children and families facing emergencies. Despite a growing number of attacks on humanitarian workers in the last year, our global One Humanitarian Team remained committed to delivering aid alongside local and international partners. Save the Children UK played a vital role, driving advocacy, media attention, and fundraising – both directly and through the Disasters Emergency Committee.

In 2024, we raised £31 million for our emergency response work from our supporters and through our partnership with the Disasters Emergency Committee. This included



PHOTO: SAVE THE CHILDREN

Save the Children staff in Egypt load trucks with much needed supplies for Gaza.

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PHOTO: SACHA MYERS/SAVE THE CHILDREN

Tima* gave birth to baby Lana* in April, the first baby to be born at Save the Children's new maternity unit in Gaza.

Tima said it was hard being pregnant during the war. She and her family were displaced many times as fighting expanded across the Gaza strip. Tima was exhausted – and worried about where she would give birth, given the continuous attacks on healthcare facilities. She visited our maternity facility, which was set up with the Emergency Health Unit, for a pre-natal check-up. She liked the facility and asked if she could give birth there when she was due.

Lana was born healthy, but three days after leaving the hospital she developed a fever and refused to breastfeed. Tima brought her back to the hospital, where she was admitted and treated.

Lana had contracted sepsis (infection of the umbilical cord) due to the family's tough living conditions – they live in a tent with very limited access to clean water and washing facilities. If left untreated, sepsis can easily kill a baby. However, thanks to Tima's quick action, a course of intravenous antibiotics and close monitoring in the inpatient facility, Lana has made a full recovery.

£4 million for our Emergency Fund, £2 million through our own appeals (£1.8 million for Gaza), and the rest from Disasters Emergency Committee appeals.

LIFE-SAVING SUPPORT IN GAZA

Despite the extremely challenging context, we continued to provide essential lifesaving services in Gaza. We gave families cash to cover their urgent needs, provided clean water to communities, set up spaces where children could feel safe, and ran two primary healthcare centres.

COMBATING CONFLICT AND DISEASE IN SUDAN

In Sudan, the combination of conflict, natural disasters, disease outbreaks and an economic crisis has left 25 million people – more than half of them children – in need of humanitarian support. Our staff worked tirelessly with local and national partners to support children and their families. We ran mobile health clinics to treat cholera outbreaks, provided essential learning services to children who have been forced out of school, and ensured people have access to clean water and sanitation facilities in conflict-affected areas.

CAMPAIGNING FOR CHILDREN'S RIGHTS

We drive progress on the biggest issues facing children, and we work on cross-cutting issues that underpin progress on children's rights.

As well as working directly with families and communities where the need is greatest, we also advocate and campaign in the UK and around the world to make sure children's rights are upheld and those that harm them are held accountable. We campaigned publicly for a definitive ceasefire in Gaza and for the UK to do everything in its power to protect children, including stopping arms exports to the government of Israel. We brought a young Ukrainian to speak to the UK Defence Minister about his hopes for the future. And we worked with Sudanese groups in the UK to help push their cause up the political agenda and drive more attention and funding to the crisis.

ADVANCING LOCAL HUMANITARIAN LEADERSHIP

The Humanitarian Leadership Academy continues to champion locally-led action by equipping individuals and organisations with skills and knowledge to respond to crises in their own countries. In 2024 the Academy partnered with 79 organisations across the world, working alongside local teams to craft practical solutions for their unique challenges. Nearly 1,500 participants, 52% of which were women, joined training programmes on technical areas like humanitarian operations and preparedness, field management, child protection and education in emergencies, gaining the tools to improve crisis response. Coaching and mentoring programmes provided over 1,000 hours of support to 130 leaders globally, including in Gaza, Türkiye and Syria, enabling decision-making in complex responses. Meanwhile, more than 180,000 people completed nearly 300,000 courses on Kaya, the Academy's global learning platform in 2024.

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DEFENDING CHILDREN'S RIGHTS

As well as driving progress on the biggest issues facing children, we also work on cross-cutting issues that underpin progress on children's rights.

ENSURING CHILDREN'S VOICES ARE HEARD

Young people know best what their main concerns and challenges are. They are often best placed to suggest solutions as well. It's vital that their voices are heard when matters affecting them are discussed and decided. We elevate the voices and views of children wherever we can.

In 2024, we brought young people's voices and perspectives to the institutions, governments and policy forums where decisions that affect their rights were being taken.

GIRL-LED MOVEMENT BUILDING

In 2024 we supported girls in Colombia and Malawi to work to tackle gender inequality and take forward solutions. Our approach, previously piloted in Bolivia, Nigeria, Uganda and Yemen, is designed to support girls to join and sustain autonomous feminist movements, which have been shown to be the key factor in improving legal protection from violence for women and children. We identified girl activists and girl-led groups and offered support on their terms, for example with funding, safe spaces to meet, or connections to women's rights organisations.

CHILDREN SCORE PROGRESS ON SDGS

The Sustainable Development Goals (SDGs) are a blueprint for a fairer, more prosperous and sustainable world by 2030 – but is the world on track to meet them? In 2024, we piloted a toolkit to enable children to provide their own views on progress toward the Goals. We tested the Children's Scorecard for Child Rights and Sustainable Development in five countries: Bolivia, Georgia, Nepal, Zimbabwe and South Africa. The reports revealed that children were concerned with inequalities in progress, for example among girls and children with disabilities. They highlighted issues of particular concern including climate change, poor mental health and bullying – a widely reported form of violence affecting their



Vepaia, a 15-year-old from Vanuatu, takes part in a climate demonstration outside the Peace Palace in The Hague.

PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

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PHOTO: SAM VOX/SAVE THE CHILDREN

Mary and her daughter Flocy, 3, in their family garden in Balaka district, Malawi

Mary used to go to bed hungry, sacrificing her own meal to ensure her three-year-old daughter Flocy had enough. Our Maziko project gave her a lifeline, offering cash and guidance on nutrition and child development.

The cash was Mary's ticket to a brighter future. She was able to save up to buy bricks and materials to build a house: an achievement recognised by the village Chief, who allocated her some land.

Maziko also teaches parents how to nourish their children's bodies and minds. "Save the Children teaches us good eating habits," Mary explained. "Save the Children gave us seeds and we built gardens where we've grown vegetable crops… so that our children are not malnourished."

Through the project, Mary bonded with others in the community, "When we meet as parents, we teach each other how we can care for our children," she shared, "Maziko taught us how we can have a healthy and happy child."

access to education. Including children's views in reporting processes can inform policy solutions and help speed up progress towards meeting the Goals.

The government of Zimbabwe incorporated information from the children's scorecard as a standalone chapter in its official voluntary national review.

COLLECTING CHILDREN'S VIEWS ON SAFEGUARDING

Children have the right to be safe and protected at all times. We have stringent safeguarding measures in place to ensure children can participate in our education programmes safely. This year, we adapted a series of participatory safeguarding tools we developed in Uganda to collect children's views on our safeguarding processes, including their preferred ways to share information and report concerns. We will pilot these tools in a small number of countries, before promoting their use globally and with our partners.

CHILDREN DEMAND AN END TO VIOLENCE

Each year, one billion children experience physical, emotional and sexual abuse. That's half of the world's children. The climate crisis, intensifying conflicts and the rapidly expanding digital environment are exposing children, especially the most vulnerable, to even more risk of violence.

When world leaders met in Colombia in November for the first Global Ministerial Conference on Ending Violence Against Children, we made sure that children's voices were loud and clear.

Save the Children, on behalf of the Civil Society Forum and Joining Forces, co-led a delegation of twelve young advocates from nine countries who shared powerful impassioned calls for change to what is often an 'invisible crisis'.

The children's delegation presented their Call for Action and demanded political leaders commit to ending violence against children once and for all.

CHILDREN'S VOICES FROM THE GLOBAL MINISTERIAL CONFERENCE ON ENDING VIOLENCE AGAINST CHILDREN

> **When I see how violence affects us day by day, how our dreams are shattered by fear, it drives me to raise my voice for children and adolescents.**
>
> Salome, 16, from Colombia, where two in five girls and boys experience violence in their childhoods.

> **Silence is not a solution for ending violence against children, [nor can we stay] quiet to the problems we face.**
>
> Sahadip, 16, from Nepal

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IMPROVING GLOBAL FUNDING, POLICY AND PRACTICE FOR WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices for children through coalitions, campaigns, advocacy and partnerships. In the long term we want to transform public finance and unlock new funding to make sure it has real impact for children.

SHAPING WORLD BANK AID POLICY

The World Bank's International Development Association (IDA) is the world's largest source of grants and low-interest loans for low-income and vulnerable countries. In 2024, we worked with World Bank staff and key stakeholders to help shape the IDA's policy package to best support the world's poorest children. We supported the Bank's efforts to secure a robust financing package. The call for funds raised $24 billion in donor contributions, which will generate a total of $100 billion in affordable financing to support the 78 countries that need it most.

CAMPAIGN ON REMITTANCES

Remittances – money that people working abroad send home – are vital for millions of families. Yet the costs to remit are very high. As a result of our campaigning on this issue, the UK government asked us to set up a working group bringing together representatives from diaspora community organisations, remittance companies, the World Bank and the UK government to identify and tackle the barriers that keep the cost to remit so high.



PHOTO: KATE STANWORTH/SAVE THE CHILDREN

Shehab*, 16, practises self-defence moves at a Girls Empowerment Centre run by Save the Children in Zaatari refugee camp, Jordan.

Shehab had a tough start in life. She was born with a disability and has lived in the refugee camp since the age of four, when her family escaped the conflict in Syria.

Shehab was bullied at school, so badly that she dropped out. Her confidence was at a low ebb when Save the Children staff encouraged her to come to our Empowerment Centre, which is run by and for young women and girls.

As she attended classes to catch up on schoolwork, and joined in activities including boxing, Shehab's confidence grew. She has re-enrolled in school and now reaches out to other children affected by bullying.

Shehab says "I am strong today and I'm so grateful... I went back to school and became a strong capable girl."

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A HEALTHY START IN LIFE

A healthy start in life begins in pregnancy and a safe delivery, through a child's first five years of life. We tackle the greatest barriers to children's health, focusing on childhood illnesses and adequate nutrition. Together with our global, regional and national partners and local civil society groups, we have continued to work on behalf of those most affected by inequality and discrimination to bring about lasting change from the very start of a child's life.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

We want to deliver change for children now as well as long lasting change to policies and practices that affect them.

Our work to promote a healthy start in life is designed to meet goals set by Save the Children country offices. It is designed and delivered with local and national partners.

REACHING UNVACCINATED CHILDREN

Every child matters and we want to reach the most marginalised and discriminated against. We launched new flagship programmes to improve vaccination rates in Ethiopia and Nigeria, together with the Ministries of Health, GSK and an international research consortium. The two countries combined are home to over 3 million unvaccinated children. The BOOST programmes are addressing the many causes of under vaccination in 16 districts in Ethiopia and four in Nigeria, including social and behavioural determinants. We also awarded the first two grants in our Immunisation Accelerator programme to identify and support the development of promising and transferable innovations that address long-standing barriers preventing children from receiving vaccinations.



PHOTO: YAGAZIE EMEZI/SAVE THE CHILDREN

Health worker Nura Ibrahim administers a vaccine at a school in a remote community in Jigawa State, Nigeria.

COMMUNITY HEALTH SYSTEMS ADDRESS CHILD MALNUTRITION

In 2024, we continued work in Kenya and Somalia strengthening community systems to address child malnutrition.

In Kenya, the ACCEPT programme, supported by UK Aid Match, completed its first eighteen months, delivering health and nutrition services to over 30,000 people, screening and treating 1,300 malnourished children, and training more than 500 community health promoters and health workers. We also published, together with our partners, the results of an earlier randomized control trial which tested community health worker-led treatment of acute malnutrition. The positive results led to a wider trial to test the intervention at scale across three counties, two of which are supported by Save the Children.

We also expanded the approach to Somalia, implementing a trial together with our partners to test community treatment in Somaliland, with results expected in early 2025.

IMPROVING CHOICE IN DEMOCRATIC REPUBLIC OF CONGO

We were part of a large-scale, World Bank funded family planning programme in eastern Democratic Republic of Congo, which successfully increased access to modern family planning methods. Despite the unstable and difficult context, the programme registered some half a million new users of family planning services.

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IMPROVING GLOBAL FUNDING, POLICY AND PRACTICE FOR GLOBAL HEALTH AND NUTRITION

GLOBAL HEALTH SYMPOSIUM

In October, Save the Children UK hosted our first ever Global Health Symposium in London. This event celebrated ten years of excellence in global health work under the umbrella of our partnership with GSK. Some 200 people attended in-person or online, representing civil society, academia, the private sector, multilateral global health agencies and governments. The speeches and panel sessions, as well as links to the many peer-reviewed publications and reports, are available on the event website: Global Health Symposium 2024.

> **"My main takeaway from today was the incredible volume of data and learning, and the way we are so openly sharing these learnings with the Global Health community."**
>
> Fiona Smith-Laittan, VP Global Health, GSK

INFLUENCING WORLD HEALTH ASSEMBLY RESOLUTIONS

The World Health Assembly passed four key resolutions in 2024: on climate change and health; strengthening mental health and psychosocial support during emergencies; social participation for Universal Health Coverage, health and wellbeing; and reducing maternal, newborn and child mortality. Save the Children UK worked with our Geneva office during the drafting process. We brought civil society together for vital advocacy moments, engaged with member states on the content of the draft resolutions, and led policy input. As a result, key language was included that ensured the resolutions acknowledge children's unique needs. We will track progress to make sure the resolutions are delivered.

BRINGING CIVIL SOCIETY TOGETHER FOR GLOBAL HEALTH

This year we used our voice in support of calls for vital health funding. We developed the strategy for a new UK-based civil society coalition with partners in Gavi, the Vaccine Alliance and the Global Fund to Fight AIDS, Tuberculosis and Malaria. Together we made the case for investment in these key global health institutions, holding events and producing materials to influence the UK parliament, government and civil service. As this report goes to press we are in the final stages of securing a firm financial commitment from the UK government to support both institutions.

Beata*, 27, and her newborn Beni* outside a medical facility run by Save the Children in Mahama Refugee Camp, Rwanda.

Beata was anxious before giving birth to her second child at Save the Children's health centre at Mahama refugee camp in Rwanda.

But she was in good hands. The centre is equipped with ultrasound scanners and doctors who can perform C-sections – something that wasn't the case when Beata gave birth to her first son, Kevin*, two years ago. Then she had to be transferred to another hospital two hours away while in labour.

She didn't have to endure the same journey this time round. And midwife Anne was there to comfort and reassure her as she prepared for the birth. Baby Beni was born safe and well, and Beata can look forward to the future with her two young sons. "All I wish is that they grow up healthy – that's my wish for my children," she says.



PHOTO: YAGAZIE EMEZI/SAVE THE CHILDREN

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PHOTO: SEIFU ASSEGID/SAVE THE CHILDREN

Careful measurement of newborns' feet enables us to identify and treat at-risk babies promptly.

BUILDING AND SHARING DATA AND EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

MEASURING 5 MILLION SMALL FEET

Globally, nearly half of deaths in children under five years occur in the first month of life and complications of prematurity are the leading cause of death. In Ethiopia one in 30 babies will die within this period. Many of these deaths are preventable, so identifying low birth weight and premature babies is crucial. Multiple studies in South Asia and east and west Africa have found that newborn foot length is a key indicator of prematurity. This means that even without scales, it is possible to determine the likelihood that a baby is too small by accurately checking its foot length.

Our research project in Ethiopia, called 5 million small feet, conducted with academics at Hawassa University in Southern Ethiopia, tested several prototype measurement tools. The preferred one is a 3-D printed acrylic holder developed with a partner in the UK. The tools were successfully tested in hospitals, paving the way to a full community trial in 2025. A landmark systematic review of body measurements for identification of preterm and low birth weight babies was published in the *BMJ*.

IMPORTANT LESSONS ON TREATING PNEUMONIA

In October, the final results of our INSPIRING programme on reducing child deaths from pneumonia were published in the medical journal *The Lancet*. INSPIRING ran from 2018 to 2023 in Kiyawa, a rural area of Nigeria's Jigawa state, and aimed to tackle childhood pneumonia deaths in a region where one in six children die before their fifth birthday.

The results were inconclusive, demonstrating how difficult it is to make gains focused on individual diseases without strengthening overall health services and systems. Our approach used evidence-based interventions, some specific to respiratory illnesses and some not, and were implemented with quality. They should in theory have led to quicker impacts on child survival, notwithstanding the global COVID-19 pandemic and several climate-related shocks. Many positive effects were identified (for example, knowledge of symptoms, families seeking care for their children) and a lot of learning was captured which will inform future work in Nigeria and beyond.

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A RIGHT TO LEARN

Education is every child's route to change the rest of their life for the better. Education allows children to learn and develop, and can protect them from poverty, violence and abuse. But too many children continue to miss out.

Even when children are in school, they can't learn basic skills like literacy and numeracy if their teachers aren't trained and equipped to teach them. Children in low-income and conflict-affected countries are the most likely not to be in school or learning. We keep a particular focus on those most affected by inequality and discrimination – including girls, children with disabilities, refugees, migrating and displaced children, and those from the lowest-income households.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our work to support children's learning is designed to meet goals set by Save the Children country offices. It is designed and delivered with local and national partners.

ENSURING CHILDREN IN MYANMAR CAN LEARN

With the Global Partnership for Education, we are making sure children in Myanmar can continue to learn, in safe, supportive environments. With a focus on the most marginalised and discriminated against — internally displaced children, migrants, ethnic minorities, children with disabilities, and adolescent girls — the project has reached over 43,000 students in conflict-affected areas.

We want to put power and resources into the hands of communities closest to our work. In 2024 the programme worked with local organisations and communities, helping them take the lead in education provision. We trained over 1,200 educators in inclusive, child-focused teaching methods and brought education activities to more than 16,000 young children. We distributed learning kits, built and renovated classrooms and created temporary learning spaces equipped with gender-responsive facilities like latrines. We supported children with disabilities with assistive devices and accessible infrastructure, to ensure they aren't left behind.

Providing cash for families helped reduce dropout rates by ensuring they can pay for essentials like transport and school supplies. School feeding programmes also helped children to stay in school.



Children at a child-friendly space in a bomb shelter in Ukraine.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

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SUPPORTING OUT-OF-SCHOOL CHILDREN IN DRC

In the Democratic Republic of Congo (DRC), we worked with international and local partners to increase access to education for over 60,000 children who were out of school or at risk through a project called AXE-Filles (Accès et Égalité pour l'Éducation des Filles). Working with local partners, we improved school infrastructure (173 classrooms and 116 toilet facilities will be completed in early 2025), strengthened child protection measures (establishing child protection focal points in each school and strengthening school child protection committees), trained over 1,000 teachers, established 128 clubs for children to catch up on their learning (reaching nearly 4,000 children, more than half of them girls) and provided sexual and reproductive health education to over 11,000 children (around 7,000 of them girls).

Creating alternative education pathways for children who are out of school is a vital focus of the programme. We have enabled teenage mothers to transition from literacy programmes into vocational training, offering them renewed hope and opportunity. 9,610 young mums have benefited so far.

We are building partnerships with specialist local organisations to prioritise support for marginalised girls and children with disabilities, who are often excluded from education. We have identified 1,144 children for support, the majority of whom face multiple disabilities.

At the community level, efforts to promote inclusion are being reinforced through meetings, mapping exercises, and a dynamic social behaviour change campaign, fostering greater awareness and collective action to create a more inclusive education system for all children. A back-to-school campaign led by women's and disabled people's organisations reached almost 39,000 people through face-to-face meetings and events.



PHOTO: SAVE THE CHILDREN

Clarisse (right) at the KADEFA centre*

16-year-old Clarisse is the first female mechanic in Tshikapa, capital of Kasai Province. She was trained through AXE-Filles and now encourages other girls to join the project.

Clarisse said "I'm happy because my future job is important for our community here; there aren't many mechanics in Tshikapa. I chose to be a mechanic so that one day I can find work to support myself."

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INCLUSIVE EDUCATION IN NIGERIA

We helped address stigma and bring a more inclusive and effective education system across three states in north west Nigeria through Partnership for Learning for All in Nigeria (PLANE), a programme funded by the UK government. With four local partners, including a disability organisation, Hope for Village Child Foundation, we provided support to marginalised children aged six to 13, particularly girls, children with disabilities, and those who are out of school.

In 2024, nearly 42,000 children (more than half of them girls) received short-term intensive community-supported education to give them the basic literacy and numeracy skills they need to move on to primary school. Importantly, more children with disabilities are now benefiting from community learning thanks to our behaviour change approach to address stigma. We saw clear improvements. One third of six-to-nine-year-olds we assessed this year can now read a simple sentence compared to only 6% before they started our catch-up sessions. 63% were able to do simple sums compared to 18% at baseline. Older children are succeeding too, with 68% of children aged nine to eleven progressing at least one level in literacy. Children with disabilities also did well, with almost a third meeting the expected standard compared to 1.5% at baseline.

IMPROVING GLOBAL FUNDING, POLICIES AND PRACTICE TO DELIVER WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices to ensure children learn, through coalitions, campaigns, advocacy and partnerships.

PROMOTING COMPREHENSIVE SCHOOL SAFETY

Continued shocks and stresses threaten to exacerbate an already staggering global education crisis. The Comprehensive School Safety Framework 2022–2030 (CSSF) is a tried and tested approach to responding to hazards in the education sector.

In 2024, working with partners such as Prudence Foundation and the GADRRRES coalition (a global alliance working to realise child rights and resilience in the education sector), we secured endorsement and implementation of the CSSF as a key recommendation for governments. Our advocacy helped to secure mentions of the CSSF in global and regional political statements and meetings, including the 2024 UNESCO Global Education Meeting. This has led to the Framework being more widely understood and used.

ADVOCATING FOR EDUCATION IN EMERGENCIES

When crises occur, education is too often neglected in the immediate humanitarian response. Yet we know it can have a lifesaving impact on children. This year, we worked with colleagues across the Save the Children movement to analyse and synthesise evidence of the impact of education in emergencies. The research has enabled us to develop new recommendations for Save the Children and partners that will strengthen the argument about why education must be prioritised and funded in emergency contexts.

We worked with colleagues in our occupied Palestinian territory, Yemen, Ukraine and Lebanon country offices to support national and global advocacy on the subject. Save the Children International CEO Inger Ashing made a joint global statement on the scale of attacks on education in Gaza, with Education Cannot Wait Director Yasmine Sherif, and Secretary General of the Norwegian Refugee Council, Jan Egeland.

Marko*, 8, taking part in an English lesson at Save the Children's hub, Bucharest, Romania

Eight-year-old Marko and his mum Yana* fled Ukraine when war broke out. They went first to Bulgaria, and are now living in Bucharest, Romania. Marko likes the city's trams, bustling shops and sprawling parks but he misses his old life: his friends, karate, and his cherished toy car collection.

He also missed out on vital education after leaving Ukraine. In Romania, he found support at Save the Children's Hub, which offers language lessons, counselling and social opportunities. "The Save the Children Hub is excellent. It teaches kids and helps them make friends," Yana says.



PHOTO: OKSANA PARAFENIUK/ SAVE THE CHILDREN

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A CHILDHOOD FREE FROM VIOLENCE

Every child should grow up safe and supported. Yet many children's lives are blighted by violence and abuse. We work with partners and communities to protect children who are being bombed, shot, starved, raped and often left with no escape from violence – and to enforce the global standard that children should always be off-limits in war.

Around the world, girls are at risk of early marriage and other forms of gender-based violence. We are supporting girls and working with them to build their agency to stand against violence in their communities. And we make sure children's own voices are heard by those in power.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our work to support children's lives to be free from violence is designed to meet goals set by Save the Children country offices. It is designed and delivered with local and national partners.

STEPPING UP EFFORTS TO END GENDER-BASED VIOLENCE

In 2024, we ramped up our efforts to address sexual and gender-based violence, one of the most widespread forms of violence against children and women. Countries affected by conflict and climate crises, and particularly girls in those countries, experience the highest rates. We worked closely with colleagues across the Save the Children movement to refresh our thinking about the ways we can enable more children to live free from this form of violence.

With funding from the UK government, we started work on a project called *Gaashaan* ('shield' in Somali) to tackle sexual, gender-based and other forms of violence against children in conflict-affected and remote parts of Somalia. We began strengthening the healthcare response for survivors, improving case management to support children and their families, and bolstering community-led actions to enhance protection for all children. In the first year of the project, we trained 517 health workers, provided 20 health facilities with safe and confidential treatment rooms, and supported five safe houses and equipped them with bedding and other necessities. Our awareness-raising activities reached nearly 3,000 community members.



PHOTO: EMILY GARTHWAITE/SAVE THE CHILDREN

Ten years after ISIS forced her community to flee their homes, 15-year-old Viyan* still lives in a camp for displaced people.

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ENDING CHILD MARRIAGE IN SIERRA LEONE

Our strategy to address child marriage in Sierra Leone has combined advocacy for legal change at the national level and collaboration with technical experts at the African Union and other member states to develop guidance to cost National Action Plans to End Child Marriage, fill funding gaps and help hold governments to account.

In Sierra Leone, where 30% of girls were married before they turn 18 in 2020, our work has played a part in dramatically reducing rates of child marriage and changing societal views. The government has now passed a new law prohibiting child marriage and set a seven-year costed plan to implement it.

Funded by Save the Children UK's Women's Network and our Girls Impact Fund and their counterpart in the US, the 100 Strong female philanthropic network, these projects worked with the Sierra Leone Budget Advocates Network, other civil society organisations and the Sierra Leonean government.



PHOTO: SHONA HAMILTON/ SAVE THE CHILDREN

Ibrahim and his family, in Sierra Leone, are Ending Child Marriage Champions.

BUILDING AND SHARING EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

We are working to generate and share data and evidence of the situation for children, and to fill critical gaps in the knowledge of what works to realise children's right to live free from violence.

UNDERSTANDING CHILD PROTECTION IN MADAGASCAR

We're working with Unilever, German flavours company Symrise, and the German development agency GIZ, to support children from vanilla-farming families in Madagascar. This year, we carried out two studies exploring relationships between the vanilla industry and children's rights and lives and an in-depth evaluation of the programme. As a result, we were able to highlight further child protection needs in addition to our achievements. The programme now tackles multiple forms of violence and strengthens the systems that address these challenges.

We found that the programme's second phase (2020–2024) has had a positive impact. Young people reported feeling better protected and more able to discuss protection risks with adults. The majority of young people and adults (92.6%) understood how to report and respond to concerns. Community leaders' understanding of key child protection messages, and their roles and responsibilities in responding to violations, had grown, with 81% demonstrating good understanding, up from 39% in 2000. In one district, education authorities have integrated violence prevention and response actions into their school improvement plans, illustrating the programme's influence on local policy.

IMPROVING GLOBAL FUNDING, POLICIES AND PRACTICE TO DELIVER WIDER IMPACT

Save the Children UK is working through coalitions, campaigns, advocacy and partnerships to improve global funding, policies and practices to ensure children have a life free from violence. This involves working closely with children to elevate their voices and support them to advocate for their rights.

In April we hosted a roundtable with the UK Minister for Children and Armed Conflict. Young people from the Democratic Republic of Congo, South Sudan, Ukraine and the occupied Palestinian territory spoke about their experience of living through conflict, the impact it had on them and their recommendations for the future. Their contributions informed the UK Foreign, Commonwealth & Development Office's first Children and Armed Conflict Strategy.

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RESILIENCE IN TOUGH TIMES

2024 was a devastating year for the climate and the first in which average temperatures exceeded the key limit of 1.5°C above pre-industrial times. Around the world, children are facing more extreme weather – from floods in west Africa, landslides in the Philippines, droughts in southern Africa and heatwaves in Bangladesh. Intense shocks and stresses such as these are exacerbating inequality, destroying livelihoods, affecting children's health, decimating farming and livestock, disrupting water sources, causing food price spikes and driving people from their homes. Meanwhile, a rise in conflict is uprooting families from their homes and destroying critical infrastructure and livelihoods. Finally, economic turmoil has driven up prices, creating a cost-of-living crisis across the world – pushing food beyond the reach of many families.

The combination of these threats is driving the worst global food crisis in decades. The UN projects that more than 582 million people will be chronically undernourished by the end of the decade.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our work to support resilience in the context of conflict and the climate emergency is designed to meet goals set by Save the Children country offices. It is designed and delivered with local and national partners.

CASH FOR NUTRITION IN MALAWI

One in every three children in Malawi is stunted. Food prices have soared, with the cost of a nutritious diet increasing 210% between 2021 and 2024, making it ever harder for families to feed their children. Our MAZIKO project reaches some 42,000 households in two districts. It combines cash grants to families with a package of interventions to address the main drivers of malnutrition and poor child development. These include social and behaviour change recommendations to parents of young children to reduce gender inequality and improve maternal wellbeing, caregiving practices and access to nutritious foods.

In 2024 – halfway through the five-year project – we carried out surveys and found it was having a positive impact on households' food security, family diets and mothers' wellbeing. The cash helped counteract climate and economic shocks. In November we presented our findings nationally. The project is now informing the scale-up of the Malawian government's Nutrition Sensitive Social Protection Plan.



PHOTO: SHUJA RIZVI/ SAVE THE CHILDREN

Children in a new climate-friendly school we built in Pakistan: it's designed to withstand flooding and stay cool.

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BUILDING AND SHARING EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

We are working to generate and share data and evidence of the situation for children, and to fill critical gaps in the knowledge of what works to build resilience in the context of conflict and the climate emergency.

DRIVING EVIDENCE ON ANTICIPATORY ACTION

The communities we work with around the world faced increased weather shocks in 2024, with the cumulative effects eroding livelihoods and wellbeing. Providing support to vulnerable communities in anticipation of a predicted shock can prevent or reduce the impacts before they fully unfold.

In 2024, we shared learning from our anticipatory action programmes in Kenya and Somalia locally, nationally and globally. This research, conducted with support from Oxford University, provided important evidence on the role and limits of anticipatory action. We found that acting early – by providing cash, livestock support, and early warning messaging – allows households to invest in meeting their immediate needs. But communities experiencing protracted crises need longer-term support to prepare for and cope with anticipated shocks, to protect livelihoods and children's wellbeing. In 2025, we will build on this work with further research to influence the way the humanitarian and development communities implement anticipatory action.

HIGHLIGHTING THE IMPACTS OF EXTREME HEAT ON CHILDREN

In August, we published a report and analysis on heatwaves and their impact on children. We revealed that a record 766 million children – one-third of the global child population – were exposed to extreme heatwaves in the twelve months from July 2023 to June 2024, with serious impacts on their development and wellbeing. The report was shared widely through social media and at the COP29 climate summit. The analysis increased the attention on the climate crisis and its impacts on children, and helped us advocate for significant change in national and international climate policy and for increased climate finance generated from higher-income countries and the private sector.

Daniela, 7, and her mother, Janet, standing in front of solar drying racks on an island in Shefa Province, Vanuatu

Daniela lives with her family in Vanuatu. She loves school, her brother JoJo and riding her BMX. But there is a dark side to life here – the increasingly intense cyclones that can flatten houses and wipe out a whole season's worth of crops in a matter of hours.

"The cyclone came and I saw the strong wind," says Daniella. "I trembled, I cried and was scared. The wind destroyed our food, so that there is only a little left."

This kind of destruction often leaves families dependent on short-term emergency aid packages. Here, we're helping to fund a community initiative to preserve the food they harvest. Local people grow vegetables in a shared garden. The veg is then solar-dried, vacuum packed and stored at the village church. Daniela's parents are responsible for key stages of the solar-drying process.

So now, when hard times hit, everyone has good food stored away. "If a cyclone comes, we already have food in the storeroom," explains Daniela. "I eat things that grow around our village. We eat it, like it and it gives us power."



PHOTO: CONOR ASHLEIGH/SAVE THE CHILDREN

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OUR WORK IN THE UK

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Our work in Scotland is laid out on page 30.

All children should grow up in families that have enough money to live with dignity so they can play and learn and have the best start in life. Yet 4.3 million children in the UK are growing up in poverty. This is a national emergency, a major infringement of children's rights and a crisis that compels us all to action. In 2024 we worked with over 400 different organisations, working for and with children and advocating and campaigning for change.

We worked with people with a shared vision to achieve things that no person or organisation can do on their own. We provided practical help to children and families, tested new projects and mechanisms to support communities, brought people together to carry out research and develop new policies, advocating and campaigning to improve children's circumstances. Working with others we produced 65 learning, research and evaluation reports, sharing our understanding of how to make things better.

CAMPAIGNING

We continued to campaign for an end to child poverty, calling for action from the devolved governments as well as at Westminster.

We saw the impact of years of campaigning by Save the Children UK and others when the new Labour government made two important commitments:

- to develop a new child poverty strategy
- to make improving early learning one of the key milestones for this government.

We will hold the government to account on these commitments.

CHILD LOCK CAMPAIGN

In October we launched our Child Lock campaign, which calls on the UK government to 'double lock' spending on children's social security entitlements. The pensions triple lock has successfully reduced pensioner poverty; we need a similar strategy for child poverty. We are calling for children's benefits to rise in line with inflation or earnings, providing families with better protection during periods of high inflation and enabling family incomes to rise with earnings. We are also calling for this concept to be replicated across government to address the fall in spending on children across mental health services, transport, housing and education. A group of young people helped launch the campaign, discussing our demands with the government's Child Poverty Taskforce Unit (including Education Secretary Bridget Phillipson) and delivering our report to the Prime Minister.



School pupils from Sussex visited 10 Downing Street to urge the Prime Minister to adopt a 'child lock' on social security entitlements.

PHOTO: ANNA SAS/SAVE THE CHILDREN

UNIVERSAL CREDIT: END THE TWO-CHILD LIMIT

We continued to campaign with our partners in the End Child Poverty Coalition against the two-child limit on Universal Credit. 2024 marked seven years since this harmful policy was launched. Removing the two-child limit would lift 250,000 children out of poverty. We worked with photographer Dan Dennison to tell the stories of three families affected by the limit. *The Guardian* published our photo essay, which was nominated for a Portrait of Britain award. Holding the Westminster government accountable for the impact of the two-child limit on children in larger families continues to be one of our main focus areas for campaigning in 2025.

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INFORMING THE CHILD POVERTY STRATEGY

The UK government asked us to help run a series of events about how improved local services could help tackle child poverty, to inform their forthcoming Child Poverty Strategy. We supported conversations in communities where we work as well as special sessions with the Youth Panel, Youth Advisory Board and our Parent Campaigner group. Discussions covered education, health, early years, and the role of local authorities in supporting families. We also supported our partners to host sessions with parents, including parents of children with disabilities and single parents, young people, and care-experienced young adults. Policy officials responsible for developing the new Strategy attended, hearing directly from families and children facing poverty and gaining vital perspectives. The new Child Poverty Strategy will be published in spring 2025.

In Northern Ireland, the Stormont Executive returned in February 2024, into a landscape scarred by budgetary pressures and lack of decision-making for five of the last seven years. Despite these barriers we worked with our partners and influenced the largest investment in decades in Northern Ireland, a new £25 million financial package to help parents with their childcare bills and an entitlement to 22.5 hours of pre-school education per week. In 2025 we will continue to hold the Executive to account for their commitment to make support for young children and families a top priority.

In Wales, the pressure we and our partners placed on the Welsh government to appoint a dedicated Minister for Children proved successful with the appointment of Dawn Bowden in March. This should mean better accountability for issues that affect children. We also continued to influence the Welsh government on their Child Poverty Strategy, winning acceptance that children's voices will be central to how the strategy is implemented and monitored.

We also advised the Welsh government on the development of its Communities of Practice approach. This resulted in substantial funding for Save the Children to support the development of our own community process to include the voices of parents and children. The findings from this work will inform the Welsh government's national approach. The Our Generation. Our Vote campaign empowered under-18s in Wales, with young participants from partner organisations speaking at its Westminster launch.

PARENT CAMPAIGNERS

Our parent campaigners worked across the UK in 2024, including supporting our work on the Child Poverty Strategy. The Voices 4 Bettws group in Wales – which grew from parent peer support groups in the Bettws Early Learning Community – co-designed and launched a training programme for primary school staff and Early Years professionals to enhance understanding of neurodiversity and how best to support families. In Sheffield, parents worked as community researchers with Sheffield Hallam University, contributing to published papers.

PROVIDING EVIDENCE FOR CHANGE

THE COVID-19 INQUIRY

We continued to be a core participant in the UK government's official COVID-19 inquiry, together with Just for Kids Law, the Children's Rights Alliance for England, Centre for Young Lives, and Child Poverty Action Group. Module 8 of the inquiry, on Children and Young People, began with a preliminary hearing on 6 September.

> **"The lack of focus on the rights and interests of children during the pandemic was systemic. This was not an unfortunate oversight for which particular individuals bore responsibility. It resulted from a failure to embed the rights and interests of children in the centre of the machinery of government."**
>
> Steve Broach KC, Barrister representing the Children's Rights organisations

We will build on the concerns we expressed earlier in the inquiry that the UK government's response to the pandemic did not sufficiently consider the rights, best interests, welfare, health or wellbeing of children. We recommend legislative change to incorporate the United Nations Convention on the Rights of the Child in full into UK law.

NEW ALLIANCE FOR BABY BANKS

July saw the launch of the Baby Bank Alliance, a support network for people who run baby banks. Baby banks can be a lifeline for families, giving them access to essential items for babies and children. In 2023 alone, UK baby banks helped 199,180 babies and children. The Baby Bank Alliance provides help with fundraising, resources and help to get donations and volunteers. It also enables baby banks to learn from each other and campaign together for change.

172 baby banks are now signed up to the Alliance, which was founded by Save the Children, Purposeful Ventures, Little Village and Bristol Baby Bank Network. This year, IKEA launched a range of products to help raise money for baby banks.

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PHOTO: HANNA ADCOCK/ SAVE THE CHILDREN

When baby Alfie was born, the family received clothes and other essentials from the Home-Start East Antrim Baby Bank.

Linda and her husband live in Larne, in Northern Ireland, with six-year-old Annie, and baby Alfie.

Alfie was born in December, during an expensive month for the family. High fuel bills, a change in jobs for Alfie's dad, and the added expense of Christmas meant money was really tight. Alfie fed constantly and outgrew his clothes faster than the family could afford new ones.

Isolated as she recovered from C-section complications, Linda felt overwhelmed by the pressures of providing for Alfie. A health visitor noticed her low mood and suggested using the new Home-Start East Antrim Baby Bank to ease some of the financial strain.

Linda registered for a newborn baby pack. With a new set of clothes for Alfie and essentials like baby lotion and blankets, the weight on her shoulders lifted.

"It felt like... somebody had given me a real gift because I was feeling I couldn't provide for him... I don't know what I would've done without the baby bank," Linda said. She described the volunteers as "the friendliest people," and encourages all parents to reach out to a baby bank if they need to: "Don't be nervous or afraid to come and ask for help because it's worth it."

SHARING OUR EVIDENCE

We work with partner organisations, gathering and reflecting on evidence and data from our work. We share knowledge and skills with parents, partners and children so together we can collectively propose new ideas and make decisions on how to achieve the best impact for children.

In February we launched the Early Years Knowledge Bank, a collection of high-quality resources curated to inspire ideas across practice, research, influencing and advocacy and to contribute to discussions on improving early years practice across the UK. We gathered evidence and best practice for a submission to the Raising the Nation Play Commission, which was developing a national play strategy for England. Structured around the themes of money, services and power, our submission detailed what we heard from the parents of babies and young children about what needs to happen to ensure families have the right infrastructure, resources and support for play.

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Our Learning Network delivered nine free events to 1,150 adults in 2024. These events are open to anyone interested in our work with our partners; their purpose is to share our own and others' learning about place-based change. The events empower a diverse range of families, partners and communities and build networks and relationships to advocate for wider change.

This year we developed a partnership with Queens University Belfast and Ulster University, and with leading academics including Professor Laura Lundy, beginning some potentially transformative work to improve how we understand and engage with children and families in relation to their experience of poverty. The Listen to Learn project is one of the first initiatives developed from the partnership.

We worked with 21 primary schools in northern Belfast, engaging children in creative research approaches to allow them to share their experiences of what helps them learn in different environments.

LORRAINE'S BIG BABY BANK APPEAL

ITV's Lorraine Kelly launched a Big Baby Bank Appeal in November, in partnership with the Baby Bank Alliance and Morrisons, to help provide essential items for families experiencing hardship over the winter months.

96% of people agree that the cost-of-living crisis is continuing to affect family finances, according to a survey commissioned by Baby Bank Alliance.

AMPLIFYING THE VOICES OF CHILDREN AND FAMILIES

We elevate the voices and views of children wherever we can.

In a complex world, focusing on children's needs and rights can bring clarity about what is required: families need more money so they can look after their children, they need decent public services; and they need to be listened to by those in power. This year we worked hard, in partnership with others, to cut through the complexity and make our voices heard.

In July, we partnered with BBC Panorama to bring the impact of the UK's entrenched health inequalities into people's homes through the documentary *Britain's Child Health Crisis*. The film focuses on the Meadows Nursery, a happy and caring nursery at the heart of Sheffield's Early Learning Community in Shirecliffe, one of the city's most deprived areas. The film powerfully showed how people's living conditions and access to healthcare have worsened. Mothers and grandparents explained the challenges they face as they try to keep their children healthy without enough money to afford basic necessities.

The documentary also explored the systemic factors that compound children's suffering, such as an unfair social security system and austerity measures that weakened vital services designed to improve children's health. It's a good example of how Save the Children UK can use our platform to share stories and ideas from people who experience the realities of poverty and inequality every day, and collectively campaign for national change.

In April 2024 Sheffield's Early Learning Community held an exhibition called Seen. Heard. Valued. It was an immersive and joyful representation of the transformative impact of community empowerment and explained how together, families and partners had created the conditions for change. The exhibition attracted over 400 visitors, including key decision-makers, stakeholders and supporters who have been most influential in the region's approach to early years and child poverty.



Keenan, 2, looks at photographs at the Seen. Heard. Valued. exhibition in Sheffield.

PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

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BRINGING COMMUNITIES TOGETHER

Helping children is not the responsibility of any organisation or sector on its own. The most effective way to bring about change is to help build communities of people who care about children, who listen to them, and who can take action together. In 2024 we worked to build the power in the communities we work in to increase our collective impact to make lasting change possible.

For many families, essential items have become unaffordable. Rising food and energy prices have made things worse. Our Early Years Grants gave more than 1,900 families a practical lifeline in 2024. Working with donors, decision-makers and local partners, the grants programme is a key element of the drive for lasting change to end child poverty. In Northern Ireland we developed funding relationships with five local councils, both to deliver grants to families in need, and to use the insights we obtain from the programme to inform their local child poverty strategies.

In 2024, we continued to work directly with several communities around the UK. Key highlights from these projects include:

- The EastSide Early Learning Community in East Belfast focused on developing the early years workforce and co-designing services that enable positive parent and child interactions through play. They launched an Early Years Innovation Fund, with ten local projects designing creative opportunities for children and parents to build responsive relationships. In the summer the Storytelling in the Community project encouraged families to learn about the role of storytelling and books in their children's development and built connections between Parent and Toddler groups.
- Our Community Power and Power of Play projects in Tower Hamlets supported by Morgan Stanley and the LEGO Group and the LEGO Foundation respectively engaged over 80 families in workshops, which gave us

WHERE WE WORK

- Feltham, London
- Longsight, Manchester
- Margate, Kent
- Sheffield, South Yorkshire
- Smallshaw Hurst, Tameside
- Tower Hamlets, London
- Wallsend, North Tyneside
- Northern Ireland – Belfast
- Scotland – Edinburgh, Glasgow
- Wales – Bettws, Newport, Cardiff





Ibrahim, 4, plays with modelling clay at a LEGO play innovation lab in Tower Hamlets, London.

PHOTO: KATE STANWORTH/SAVE THE CHILDREN

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a comprehensive insight into the challenges faced by families with children from birth to six living in poverty. The launch of our initial round of innovation funding for Community Power was directly informed by parents' perspectives on the critical issues they encounter. Our Power of Play co-designed workshops enabled children and their families to develop three learning through play projects, which ran from the summer into early autumn.

- The Ehangu (Expand) project is a brilliant example of community power in action. Working with members of the community, we facilitated listening workshops to collectively develop a shared vision for Ely and Caerau in Cardiff. Through the workshops, families told us there was a need for safe outdoor spaces for under-fives to play and learn. As a result, the new Dan y Coed gardens were developed – new community gardens where children can play freely outdoors and partners can organise supervised outdoor play days. The project has strengthened partnerships, shared resources and demonstrated the impact of place-based collaborative work in improving early years outcomes – and this is just the beginning!

POWER OF PLAY

Save the Children UK, along with Young V&A, EasyPeasy and the Institute of Imagination, is part of the Power of Play initiative, a collective partnership supported by the LEGO Group and the LEGO Foundation. Together we aim to improve access to quality learning through play opportunities for children across the Borough of Tower Hamlets in London.

Since the launch in May, we have been working with local community organisations Rich Mix, St Luke's church, Millwall, and Artburst, as well as children and caregivers, to co-design innovative, community-based labs that create free, accessible learning through play experiences. At the opening event, Dan Paskins from Save the Children, said "Play is vitally important for all children, but the power of play is especially important for those who experience the toughest times. Poverty can be a blocker for play, but I really believe that it is just as true that inclusive play can unblock poverty."

Bradley, 4, tries wall climbing on a Summer of Play camping trip in Sheffield.

For three days and two nights 32 children and their caregivers in Sheffield ate, played, explored, and camped together beneath the stars.

Save the Children funded the camping as part of the Summer of Play, to give families living in one of the most deprived areas of the city the chance to experience the power of outdoor play – to have new adventures together, build relationships, and create memories.

Many of the families who attended have been involved in the Sheffield Early Learning Community since it was established in 2018. The children attend – or have graduated from – the nursery which sits at the heart of this community. Their parents are key to the many co-designed projects there, including the Thursday breakfast club set up by and for parents with the ELC and Save the Children's support.

After a successful Summer of Play camping trip in 2023, parents and children fed back that they wanted a longer trip this time, with more chances to challenge themselves. Activities in 2024 included climbing, archery, axe-throwing and a night walk.



PHOTO: JOSHUA ATKINS/SAVE THE CHILDREN

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PHOTO: ANNA SASS/SAVE THE CHILDREN

A family portrait – (left to right) Gethin, 6; Sophie, 9; mum Mary holds Bethan, 3, and Owain, 4

Mary and Stephen and their four young children were evicted from their home in 2023. Their landlord had decided to sell the house they were living in.

The family were housed in a series of hotels, then a temporary flat and finally, after three months, the home they're in now. Unfortunately it's on the other side of the city from their previous home, which meant moving schools, losing friends and being far from where Mary grew up.

Sally at Flying Start applied for a Save the Children Early Years grant for the family, which helped them buy mattresses and other essential items for their new home. The children also received a pack of toys. Mary said: "Sally could have asked anybody else… but she chose to think of us… and the situation we were in at that time… and we were so grateful for the grant."

Today the family are feeling more settled. Mary says, "For me, home, I think is being where my children are, because they're everything to me. But it's nice to have somewhere we can settle and actually call our home. And we're all together, so that's the main thing."

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SAVE THE CHILDREN IN SCOTLAND

Save the Children's activities during 2024 addressed issues faced by children in Scotland, as well contributing to the global aims of Save the Children.

One in four children in Scotland is growing up in poverty. This is a major infringement of children's rights and a crisis that compels us all to action. Throughout 2024, we have provided practical help to children and families, supported our network of community partners, developed new insights to understand attitudes to poverty, and brought people together to advocate and campaign to make things better for families.

BRINGING COMMUNITIES TOGETHER

We believe all children growing up in Scotland should have access to quality services and support, regardless of their family income. We work directly with communities to help achieve this. We then use our experience to influence national policy and practice.

In Glasgow, we launched a new five-year partnership with Morgan Stanley to bring together communities, families, charities and services to increase support for children in the early years. We developed new partnerships and networks with community partners like Home-Start and PEEK; through our network we provided practical support in the form of early years grants. We supported 37 parents to engage with the Scottish government's review of its Parenting Pathway – helping ensure practice better meets families' needs.

This year we deepened our partnership with Home-Start and our network of local community organisations across communities in eight local authorities, including Renfrewshire, Dundee and Edinburgh. We provided financial support for basic needs to families through our grants programme, supporting 733 children. We also gave grants to our partners to deliver summer and winter activities and outings and food for children. This benefitted 1,149 children. The grants provide some relief to immediate pressures on household budgets, reduce stress for parents and help build relationships with families. We also worked with the network to campaign for policy and practice change.

Joy with her 9 month old twins, daughter Mitchell* and son Evan**

"When I found out I was having twins I was happy but overwhelmed at the same time", Joy told us. "I was really worried thinking 'how am I going to care for two kids?'"

At the time, Joy was struggling to work enough hours to make the income she needed, due to pregnancy-related exhaustion and needing to care for her older son, Jayden*. Her partner was working nights in order to look after Jayden in the daytimes, so his earning capacity was limited too.

Joy took Jayden to toddler groups run by our partner organisation Home-Start Edinburgh, where worker Magda told her about our Early Years Grant. "I was pregnant and she could see I needed help" says Joy.

The vouchers enabled Joy to buy everything she needed for a baby – twice over! She bought a baby bed, cot sheets, towels, sleepsuits, feeding equipment, a maternity pillow, a twin feeding pillow and a clothes airer. And she held back £100 to buy each baby a rocker.

"It really helped me", she says. "I was really happy to be able to get the things I needed."

Twins Evan and Mitchell are now nine months old and thriving. Joy is looking forward to returning to her job as a home carer for elderly people once they turn one.

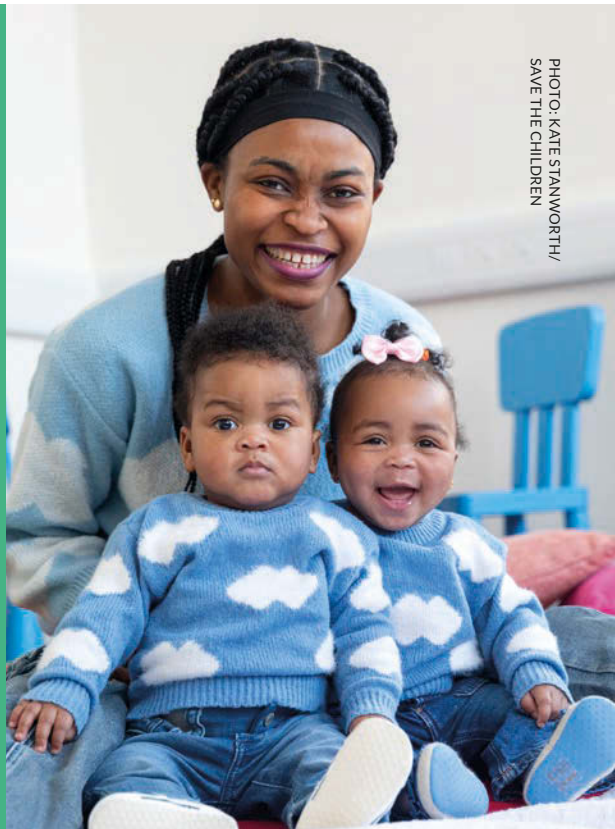


PHOTO: KATE STANWORTH/ SAVE THE CHILDREN

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> **The grant really helped me and my family not to have to worry about getting food and a new kettle and toaster that was needed. We also managed to get some clothes.**
>
> Parent Home-Start

> **As we can offer grants within 24 hours, these grants are such an integral part of our programme reaching very vulnerable families that otherwise would fall through the gaps.**
>
> Louise, CEO Home-Start Clackmannanshire

This year, alongside Glasgow Life, we ran 48 Families Connect courses across Scotland. Over eight weekly workshops, parents built their skills and knowledge to support their child's learning at home. Parents were introduced to activities and games they can do with their children to support their social and emotional development and communication skills. Many schools in Scotland have embedded Families Connect into their annual plans, with approximately three-quarters repeating the programme, ensuring new parents — especially those navigating the transition from nursery to P1 — can benefit from it.

CHALLENGING POVERTY

This year we brought together a powerful new network of professionals and parents to help us change the story on child poverty. In partnership with the Joseph Rowntree Foundation and The Robertson Trust, we are working to develop a new way of talking about poverty that builds public support for the action needed to end child poverty. Our research on public attitudes found very high levels of concern about child poverty and an appetite for change. Our research, which included a national survey and a deliberative citizens' panel, also highlighted areas where we can strengthen public support for policy solutions to end child poverty. We are supporting a lived experience panel to advise on the project and a community of champions to help us campaign for change.

Empowering families to challenge poverty and campaign for solutions is at the heart of what we do. We provided opportunities for families to meet with senior decision-makers across government so they hear firsthand the challenges families are facing.

This included a meeting between parents and the First Minister at Bute House, where issues such as transport costs for asylum seekers, inadequate housing, and the need for postnatal mental health support were raised. We also supported parents to meet the Cabinet Secretary for Social Justice in Dundee ahead of the Scottish government budget and met with the Deputy First Minister to make the economic case for tackling child poverty.



PHOTO: SANDY YOUNG/SAVE THE CHILDREN

Eona found the baby bank run by Gordon Rural Action in Aberdeenshire "a huge help" when baby Hope was born.

We shared insights from families and our community partners and amplified their voices to inform the development of the UK government's Child Poverty Strategy. Our report, *Families' priorities for action to tackle child poverty in Scotland*, highlights the priority issues families in Scotland want to see addressed, including the cost of living, early years and childcare, and addressing the link between mental health and poverty. We share this knowledge so together we can collectively propose new ideas and achieve the best impact for children.

We developed new partnerships to deliver projects on families' priorities. For example, we secured funding for a new project with Close the Gap to work with employers to better support young mums' employment.

FUNDRAISING

We are grateful for continued support from our partners in Scotland, including the Scottish government, The Robertson Trust, and Morgan Stanley. We are also thankful to Andrew Doig for his valuable contribution, and those who engage in our fundraising campaigns such as Christmas Jumper Day, to those who have left legacies to support our work, and, of course, to the Scottish public who give so generously throughout the year. These vital funds are essential to help us create lasting change for and with children.

GLOBAL ROLE

This year we played a key role in launching the Disasters Emergency Committee Middle East appeal with other Scottish members. We helped lead on media work, securing coverage in local and national press and providing support on social media. We have continued to play an active role on the Scottish government's Humanitarian Emergency Fund panel and worked to secure widespread media coverage on a range of international issues including the conflicts in the occupied Palestinian territory and Ukraine.

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WORKING IN PARTNERSHIP

We are only able to have the impact that we do through working in partnership. The work of our partners underpins the scale and impact of our programmes. It deepens our knowledge, skills and expertise. It gives us the opportunity to innovate and amplifies children's voices and influence.

We are incredibly grateful to all our partners and supporters and have celebrated them and the impact they have had throughout this report. Here are some other standout examples from 2024.

Engaging with our stakeholders

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders – the individuals, groups, organisations and institutions listed in this section. This list is not exhaustive.

That's why we proactively engage with each of our key stakeholders in a way best suited to them. We consider their needs and concerns at all levels of decision-making, in accordance with s172 of the Companies Act 2006.

LOCAL ORGANISATIONS

In 2024, our collaborative efforts with local and national partners and our colleagues from Save the Children's country offices resulted in several significant achievements:

- bringing together colleagues from Save the Children's Somalia, Kenya and Uganda country offices, local partners, Save the Children International's regional office, the Humanitarian Leadership Academy and Save the Children UK for a two-day workshop to develop plans for enhancing equitable partnership when designing and implementing projects.
- rolling out a new guide to ensure an equitable share of flexible funding goes to local and national partners in the global South. Flexible funding gives our partners the freedom to decide how best to use the money to meet the unique needs of their communities. Instead of being restricted to specific activities or expenses, they can adapt the funds as situations change – whether that means responding to an unexpected crisis or investing in long-term solutions. This approach ensures that support is more effective and responsive to real needs communities face.
- ensuring local partners were fully involved in planning and delivery across key programmes, including Education Cannot Wait in Ethiopia, which provides education for crisis-affected children; the INSPIRED project in Kenya, focused on strengthening inclusive education for children with disabilities; the RAIN project in Nepal, which improves school access and nutrition for vulnerable children; and the Gaashaan project in Somalia, which supports education and protection services for children affected by conflict and displacement. We worked with country offices to ensure our partners secured a fair and sufficient share of the budget to support their essential contributions.



PHOTO: CONOR ASHLEIGH/ SAVE THE CHILDREN

Save the Children programme manager Christion Tukunamoil and agriculture officer John Willie at a community nursery in Vanuatu.

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PHOTO: YAGAZIE EMEZI/ SAVE THE CHILDREN

The village in Sierra Leone where Abdulaye* lives is close to disappearing because of extreme weather. We're supporting the community to fight back.

Engaging with local organisations

We support our teams across the world to put power and resources into the hands of the local organisations, communities and children with whom they work. This is a core strategy in delivering lasting change for and with children. In 2024, we embedded equitable partnerships in plans for our global partnership team and worked with our country offices to improve how we collaborate with local and national partners.

CORPORATE PARTNERS, FOUNDATIONS AND PHILANTHROPISTS

In 2024, we continued to develop impactful partnerships to create lasting change for and with children in the UK and across the world. Highlights included:

- We announced a new five-year commitment with Morgan Stanley to work with communities in Glasgow and Tower Hamlets to support more than 25,000 children aged under seven growing up in poverty (see pages 27 and 30).
- Partnerships with Clifford Chance, Foundation S – The Sanofi Collective (Sanofi's philanthropic organisation), GSK, Jersey Overseas Aid and Moondance Foundation enabled us to launch two major programmes tackling the climate crisis in Sierra Leone and southern Malawi in collaboration with the Green Climate Fund.
- We launched the Immunisation Accelerator funded by GSK to empower local organisations and fast-track cutting-edge solutions to help more children receive vaccinations. Two Ethiopian and Nigerian innovators will receive technical and financial support to further their work.
- With the support of the LEGO Foundation, and in conjunction with the LEGO Group and a consortium of not-for-profit partners, we embarked on the Power of Play initiative in Tower Hamlets, London (see page 28).
- The LEGO Foundation is also supporting Teachwell Voices, a five-year advocacy programme seeking to promote the integration of refugee teachers into the national Kenyan education system, positively affecting their skills and wellbeing and unlocking joyful learning and all-round development for refugee children.
- Norton Rose Fulbright and Virgin Atlantic committed to becoming critical partners of our Emergency Fund, to help children and families before, during and after emergencies over the next three years.
- With Sanofi's Global Health Unit and Primary Care International we started an innovative programme to improve the prevention, identification and treatment of non-communicable diseases such as diabetes in Yemen's Taiz Governorate.
- We entered a third phase of our Vanilla for Change programme in partnership with Unilever and Symrise in north-east Madagascar which is empowering young people and advocating for child rights across the vanilla sector and securing the sustainability of vanilla for generations to come (see page 20).
- We continued working with Lifebuoy in Indonesia to encourage good handwashing and hygiene as part of a programme to alleviate stunting in children. Our partnership with Liquid IV allowed us to extend a pipeline and install additional collection points to provide clean water to people in the Hafun region of Somalia.
- EY partnered with us in Türkiye to ensure sustainable educational opportunities for children and young people affected by the 2023 earthquake. EY provided education and training support to thousands of students and teachers through temporary learning spaces and learning kits, as well as funding to schools.
- We launched a partnership with IKEA to ensure babies and children in the UK have the essentials they need to thrive through IKEA's support of the Baby Bank Alliance. In addition to a corporate donation, our partnership

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included a customer-facing campaign in store with £1 from the sale of every item in IKEA's SKOGSDUVA children's range going to the Baby Bank Alliance.

- We continued our partnership with Prudence Foundation and the Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector (GADRRRES) to equip more countries across Asia, Africa and beyond with the capacity, resources and systems to mitigate the impacts of hazards including climate change on children's education, creating safer and more resilient communities.

We're grateful for the continued support of other corporate partners and foundations: Amazon, Arsenal Foundation, AXA XL, Bulgari, Burberry Foundation, Collinson, CVC Capital Partners, Gabriela Hearst, Goldman Sachs, Google, H&M, Innocent Foundation, Markel International, MS Amlin, QBE European Operations, PayPal, Revolut, Schroders, Simmons and Simmons, Sky, Swift, Twinings, Uniqlo, VolkerFitzpatrick, and Warner Brothers Discovery.

Our sincere thanks to His Excellency Sheikh Thani Bin Abdullah Bin Thani Al-Thani and the Al-Thani Fund and the People's Postcode Lottery for their transformational support, Choose Love, Community Jameel, Florence 'Cuppy' Otedola, the Cuppy Foundation, The Gemini Trust, The Karlsson Játiva Charitable Foundation, Jersey Overseas Aid, Martin Lynch, Moondance Foundation, Suliman S. Olayan Foundation (Liechtenstein), The Big Heart Foundation, The Karlsson Játiva Charitable Foundation, The Robertson Trust, The Wanderer Trust and This Day Capital.

We would also like to extend our appreciation to the Africa Advisory Board. Through their networks and advice, they have strengthened our engagement, through Save the Children Africa Philanthropy Initiative, with our closest supporters in Africa and our efforts in supporting directly our local and national partners.

We also would like to thank the valued members of our networks driving strategic change for children: The Corporate Advisory Board, the Supporter Advisory Forum, the Vice Presidents, and the Women's Network, led by our Ambassador Natasha Kaplinsky OBE.

Special Events

From fundraising galas to exclusive gatherings, our events in 2024 brought together philanthropists, community leaders and changemakers dedicated to making a difference and creating lasting change for and with children. Highlights include:

Project Finance International Awards (PFI), London Hilton, 21 February and International Financing Review Awards (IFR), Grosvenor Hotel, London, 18 March
The 29th annual IFR and PFI Awards Dinners took place with our longest-serving partner, IFR, once again choosing Save the Children as their beneficiary charity. The events raised over £1,100,000 for Save the Children UK's flexible fund – adding to a total of over £33 million raised across nearly three decades of collaboration. Our Patron,


PHOTO: CHARLIE FORGHAM-BAILEY/ SAVE THE CHILDREN

Our Autumn in the City gala brought together more than 180 guests and raised over £300,000 for our work.

HRH The Princess Royal, attended the IFR Awards. A special thank you to Matthew Davies and Owen Wild for their continued support.

International Arbitration Charity Ball, Old Billingsgate, London, 12 September
The seventh International Arbitration Charity Ball saw leading arbitration practitioners come together for a Mamma Mia-themed evening. The event raised more than £466,000, bringing the total to more than £3,100,000 raised for Save the Children since 2010. A special thank you to our Co-Chairs, Ania Farren and Christopher Harris KC, and Committee Members, as well as our sponsors FTI Consulting and TransPerfect Legal.

Autumn in the City, The Savoy Hotel, London, 31 October
2024 saw the return of our Autumn in the City Gala in the presence of our Patron, HRH The Princess Royal. The evening raised over £300,000 for the Emergency Fund and our flexible funds. A special thank you to the event Committee Chair, Amanda Richards, for her magnificent and continued support, and to event sponsors Howden Insurance.

The Arora Ball, Intercontinental Hotel, 9 November
We were delighted to be selected as one of the two beneficiaries of the sixth Arora Ball. A vibrant carnival fiesta, the evening raised £1,500,000. A special thank you to Sunita Arora, founder of the Arora Ball, and Dr Raj Arora, for their efforts in making the evening a record-breaking success. A further thank you to Surinder Arora, Sanjay Arora and sponsors OakNorth and Arora Group for their generous support of this event.

GOVERNMENTS AND MULTILATERAL PARTNERS

In 2024, we continued to enjoy collaborative and productive programme funding partnerships with governments and international organisations, often acting as cross-movement lead on these partnerships. Here are some highlights:

- Our Green Climate Fund coastal resilience project in Sierra Leone became effective in December. It will empower children and their communities to plan for a changing climate and improve their livelihoods. One million

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people are expected to benefit from the initiative, which includes the conservation and restoration of 1,500 hectares of mangrove ecosystems.

- In support of children in North-West Syria, we are grateful to the Centre des Crises within the French Ministry of Foreign Affairs for a third year of funding to ensure girls and boys have access to safe, quality, and inclusive learning services.
- We signed a new programme with the Islamic Development Bank and Education Above All to help children return to school in Kaduna and other states in Nigeria. Working with the State Ministry of Education, the project will improve the literacy and numeracy of girls and boys aged 6–17 years, with a particular emphasis on including children with disabilities.
- Our objective to give children a healthy start in life through immunisation continued thanks to the financial support of Gavi in Sudan. We are working in partnership with Alight and International Medical Corps UK in ten states, including in the Darfur region, to increase routine immunisation rates, reaching 1.2 million children under a year old who have never had a life-saving vaccine.
- Through our partnership with the Global Partnership for Education, which brings together governments, donors, international organisations, civil society, teachers' organisations, the private sector and philanthropic foundations, we are systemically transforming children's education through renewed projects in Afghanistan, Myanmar and Nigeria.
- We are grateful to the trust placed in us by the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the UN Children's Fund (UNICEF) in Lebanon, Palestine and Syria to ensure we can provide essential support for children and their families who are affected by conflict.
- We work with the World Bank to make sure its support to country systems is transformative. This year, we hosted two roundtable meetings in London for civil society to contribute ideas, and held productive meetings with World Bank Directors for Health, Nutrition and Population; Climate Change; and States affected by Fragility, Conflict and Violence.

Engaging with corporate partners, foundations, philanthropists, governments and multilateral donors

We engage with governments, multilateral organisations, companies and philanthropists through in-person and virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly, the United Nations Climate Change Conference (COP) and World Bank Flagship Meetings. Bringing our key stakeholders together on key issues we are working collectively to tackle, including through travelling to see the impact that we create in-person, is a priority. In November we invited senior leaders from GSK, Norton Rose Fulbright, Collinson, Uniqlo, Lloyds Banking Group and Save the Children's Women's Network to Kenya to see the transformative impact of the Emergency Fund. Participants witnessed the challenges faced by nomadic pastoralist communities in Turkana and urban struggles in Nairobi and Kibera, and saw how community-led, integrated programming fosters resilience and innovation. The visit strengthened partnerships across corporate, governmental and local stakeholders, including senior diplomatic representatives, showcasing the vital role Save the Children plays in promoting sustainable development.



PHOTO: DELIL SOULEIMAN/SAVE THE CHILDREN

Faiza*, 8, focused on her schoolwork during a classroom lesson, Syria

Eight-year-old twin sisters Faiza and Fatima* live with their mother and their six siblings in a camp for displaced people on the outskirts of Raqqa in Northeast Syria. Their home consists of a half-destroyed room with no windows or doors.

The girls attend school at a temporary educational centre near the camp, which Save the Children built, made possible by The Global Partnership for Education.

They are learning reading, writing, and maths and take part in child protection activities at the centre, including psychological support sessions. The twins are determined to make their mother proud by becoming educated and independent: Fatima dreams of becoming a doctor, while Faiza aims to become a hairdresser.

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PHOTO: KATE STANWORTH/ SAVE THE CHILDREN

Campaigners from the Young Peacemakers Assembly hand in a petition to 10 Downing Street calling for a ceasefire in Gaza.

YOUNG PEOPLE

Our Generation. Our Vote.

In coalition with 21 youth organisations, we ran a new political literacy project, Our Generation. Our Vote. The project saw children in England and Wales learn about politics, including through child-friendly party manifestos, and culminated in a children's election. Overall, 22,889 votes were cast across 112 schools, resulting in a narrow victory for Labour (31.7%) over the Green Party (29.4%), and the results were broadcast on national media channels including Sky News and First News, a week before the general election in July.

Child Lock

Young people with lived experience of poverty shaped our Child Lock campaign, launched in October (see page 23). With social impact companies Make Good Trouble and Priority 154, we ran focus groups and set up a youth panel to develop policy recommendations. The panel launched a podcast, spoke at the campaign launch, and shared their experiences with the UK government's Child Poverty Taskforce.

Engaging with young people

Our engagement with young people ensures that our work is in line with what they are demanding, so that we can more effectively be their ally and bring about lasting change that's meaningful and relevant.

- In 2024, our Youth Advisory Board worked on a variety of projects, from consulting on our Vision 2030 and new strategy, to taking part in the interview process for our new CEO.
- We supported our Young Peacemakers Assembly – 15 young people with experience of conflict – to campaign and advocate for the rights of refugee children and children in conflict. They wrote an open letter calling for a ceasefire in Gaza and a suspension to arms sales, which was signed by over 60,000 people, and delivered it to the Prime Minister. They also met with Members of Parliament and our occupied Palestinian territory Country Director.

Aisha, 19, holds up a Save the Children advent calendar which she designed

Aisha, a talented young illustrator, designed a beautiful advent calendar and gift wrap for our 'Gifts Inspired by Children' range, sold in our stores and online. This project marked her first commission. Aisha first worked with us in 2023, as one of a group of teenagers who crafted a powerful film and campaign about child poverty, called Potential not Poverty. Read a Foreword by Aisha on page 2.

> "It made me feel accomplished and gave me confidence not to doubt my abilities and just go for it. I'm going to seek out more challenges like this in the future, thanks to Save the Children."
>
> Aisha, 19, Manchester



PHOTO: SAVE THE CHILDREN

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AMBASSADORS AND HIGH-PROFILE SUPPORTERS

In 2024 our high-profile supporters promoted our work both to address immediate needs and push for systematic and lasting change for children. They helped us secure a huge range of media coverage, as well as millions of views on social media.

Sir Mo Farah travelled to the town in Somaliland where he spent his early years to drive awareness of the climate-induced hunger crisis. Myleene Klass, recently honoured with an MBE, visited Colombia to support our campaign on maternal and newborn health. Misan Harriman travelled to Nigeria and set up a meeting with The Duke and Duchess of Sussex highlighting our work on gender equality and vaccination access.

Misan has also been a constant voice speaking out for children in the Middle East since the eruption of war in Gaza and Israel in October 2023. With Misan's help, we hosted two webinars where celebrities and their management heard directly from Save the Children staff working in Gaza. These have led to new relationships and artist-led fundraising.

Several high-profile supporters supported the Disasters Emergency Committee's Middle East Humanitarian Appeal. Myleene Klass fronted the broadcast campaign while our newest ambassador, TikTok star Shabaz Ali, contributed to the social media film.

Artists and influencers supported our campaigns on the Gift of Education, Baby Banks, and Our Generation. Our Vote., while digital-first creators campaigned on maternal and newborn baby health. Actor David Harewood narrated a video addressing arms sales and singer and songwriter Jack Savoretti performed at our Autumn in the City event (see page 34). Erin O'Connor and Joely Richardson attended the Tate Modern launch of t-shirts to support our partnership with Uniqlo.

Influencers also created their own events: *Heartstopper* author Alice Oseman and Instagram's @whatwillycooks both raised over £20,000 for our Gaza Emergency Appeal. Luke Evans and Myleene Klass switched on the Christmas lights to an audience of thousands at Covent Garden, where we are the official charity partner. Christmas Jumper Day was a huge success once again, thanks to support from new names



PHOTO: MUSTAFA SAEED/ SAVE THE CHILDREN

Sir Mo Farah travelled with us to Somaliland to see first-hand the devastating toll of climate change and malnutrition on children and families.

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including Ade Adepitan, Alison Hammond and Joe Swash, as well as long-standing ambassadors Ashley Jensen, Dom Joly and Myleene Klass.

All Saints and Edith Bowman fronted the campaign for our partnership with Chinti & Parker, who created a jumper conveying the message of PEACE. Ashley Jensen hosted an exclusive premiere of a brand-new Shaun the Sheep short film, *The Knit Before Christmas*, from Academy Award-winning animation studio Aardman.

Engaging with ambassadors and high-profile supporters

We engage with our ambassadors and high-profile supporters via instant messaging, calls, emails and in regular face-to-face meetings. This provides an opportunity for them to communicate their needs, concerns or ideas, and an opportunity for us to listen to what they wish to get out of their experience with Save the Children UK.

PUBLIC SUPPORT

In 2024, our incredible supporters gave monthly gifts, organised events, took on fundraising challenges and backed our campaigns.

More than 2.2 million people took part in our thirteenth Christmas Jumper Day, raising £2.3 million so far to help us create lasting change for and with children in the UK and around the world.

By the end of 2024, supporters had raised over £1.8 million for our Gaza Emergency Appeal. The Disasters Emergency Committee Middle East Appeal generated over £35 million, of which approximately 15% is allocated to Save the Children to be spent in 2024 and over the coming years. Supporters continued to donate to our live appeals, including the Ukraine and East Africa Hunger Crisis Appeals. Our Emergency Fund raised £4 million and allowed us to respond to less widely covered crises.

Our campaigns are embedded in communities and powered by the UK public. With the continued escalation of violence in Israel and Gaza, we worked in coalition to continue to demand a ceasefire – raising the voices of the UK public with petitions and calls to government with over 100,000 signatures.

In 2024, we received an amazing £26.9 million from 951 supporters who generously left a gift to Save the Children in their will. Some legacies came from people who had supported the charity for many years, including one who worked with their local branch for 40 years. Another supporter's legacy was in honour of their mother who had collected donations in her spare time. Others supported Save the Children for the first time, choosing to leave a gift in their will as their legacy for the next generation.

Engaging with supporters

We engage with our supporters through a regular supporter survey, participatory research and by monitoring supporter calls.

We also engage directly with supporters via social media, phone calls and stewardship contact. We use our understanding of our audiences and supporters to keep their needs at the heart of all our communications and products, striving to deliver an experience that is meaningful and rewarding for them.

VOLUNTEERS

Our 3,351 active volunteers contributed enormously in 2024: as community fundraisers, shop volunteers, campaigners, researchers and speakers, or in a range of specialist roles. Our shop teams gave over 270,000 volunteer hours and our community groups raised more than £500,000. We continue to develop new volunteering opportunities that engage new audiences, including children, young people and the employees of our corporate partners.

A massive thank you to all our volunteers, whose time, passion and energy are instrumental in the success of so many of our fundraising and campaigning activities.



Chandra volunteers in our Mary's Living and Giving shop in Ealing, west London.

PHOTO: KATE STANWORTH/SAVE THE CHILDREN

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Engaging with volunteers

We engage with our volunteers regularly to ensure they have the necessary support and so their opinions can help shape our decisions. We conduct an annual volunteer motivation and satisfaction survey: in 2024, 96% of survey respondents were satisfied with their volunteering experience, and 91% either would or already have recommended volunteering with us. Their feedback informed how we run our shops, campaigns, regional fundraising, and our approach to recognising volunteer achievements.

OUR PATRON

For more than five decades, Her Royal Highness The Princess Royal has devoted her time to visit Save the Children's programmes, meeting with children and their families, as well as colleagues. In the UK and overseas, she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation she has continued to be a powerful advocate of our work. We are honoured to have had The Princess Royal as our President since 1970 and our Patron since 2017 and are thankful for her unwavering support.



PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

Elizabeth, a volunteer at the Save the Children Byres Road shop in Glasgow.

When Elizabeth retired from her job as a university professor and economist, and with her children grown up, she needed to find something new to do. Something worthwhile and sociable.

Working as a volunteer at our shop in Glasgow was a natural fit. It took courage to apply. As a trans woman, Elizabeth was naturally nervous about what reception she'd get. But she says that from her interview with shop manager Remani onwards, the whole experience has been brilliant. She's enjoying learning new skills on the shopfloor and in the stockroom. Most of all, she loves serving customers and getting to know fellow volunteers.

Elizabeth says: "When I come here, I feel positive. I'm a transgender woman and I get positive feedback. As volunteers, we just get on together. I think that concept of supporting children bonds people."

"As a front for Save the Children, the shops are a great idea and a great asset. We offer some damn good clothes – and at great prices."

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A VIBRANT MOVEMENT OF SUPPORT

We seek to be a dynamic and vibrant cause that is supported by a diverse mix of individuals, communities and partners who contribute in rich and varied ways to our mission to create lasting change for and with children. In 2024 we made important progress on a number of fronts:

- Following a promising test in late 2023, we launched the campaign 'Lasting Change Starts Here' in March, leading with a series of powerful stories about maternal health, education, and reuniting families separated by conflict in Liberia, Syria and Bangladesh. Early results indicate a significant uplift in intention to support Save the Children among those who viewed the stories.
- We continued to mobilise support for a wide range of humanitarian crises around the world – in particular Gaza, Lebanon, Ukraine, Sudan and East Africa. As well as raising millions through our own appeals, our Children's Emergency Fund, and our coalition with the Disasters Emergency Committee, we have also applied significant pressure to politicians to prioritise children's rights. For instance, in response to the government's partial suspension of arms sales to Israel we released a widely shared video (produced in collaboration with Oxfam and voiced by David Harewood) calling for the suspension of all arms sales to Israel, highlighting the exemption of parts used for F-35 jets which have been used to bomb and kill civilians in Gaza.
- We put children at the heart of our public engagement work. Ahead of the UK general election we were part of Our Generation. Our Vote., a political literacy education programme that culminated in a mass-scale election for young people under 18. We also ensured young people's voices were heard at the COP29 climate summit in Azerbaijan, where we platformed climate activists from South Sudan, Somalia and Sierra Leone who shared their experiences and highlighted the effects of extreme weather on their education.



We projected a powerful message onto the Houses of Parliament as we prepared to deliver a petition in support of a ceasefire to the UK government.

PHOTO: SAVE THE CHILDREN UK



In our new ad, actors convey stories inspired by the real experiences of children and families we work with.

PHOTO: TOM MAGUIRE/ SAVE THE CHILDREN

- In response to staggering increases in UK child poverty, in October we launched our Child Lock campaign – which was shaped by young people and parents with lived experience of poverty – calling on the UK government to support children by 'locking' investment across all aspects of children's lives in a model similar to the pensions triple lock. After the election, our campaigning for the government to end the two-child limit on universal credit featured across the media, and two photographs taken for the campaign were used on billboards at the Labour Party conference.
- We continued to build our partnerships and secure new alliances that can advance our mission. In October, for instance, we announced a new partnership with Virgin Atlantic, which will reach countless potential supporters around the world, and raise vital resources for the Children's Emergency Fund. In December, we partnered with Aardman for our annual Christmas Jumper Day fundraiser. They created a special animation encouraging members of the public to sign up for the Day.

CHALLENGES AND LESSONS

The last five years of global and national crises and uncertainty have driven up motivation to support social causes among the UK public. At the same time, the prolonged cost-of-living crisis has resulted in a smaller pool of people financially supporting our sector each year. To continue building an active community of people who give money and take action to secure long-lasting change for children, we must evolve our approach to public engagement in a way that makes us more visible, more relevant, more distinctive, and more vital to the people who care most about children's futures.

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PEOPLE AND CULTURE

Save the Children UK is dedicated to making a lasting, positive impact for and with children. We can only achieve this ambition by empowering and supporting our extraordinary people, enabling them to contribute their best work throughout their careers with us.

OUR PEOPLE

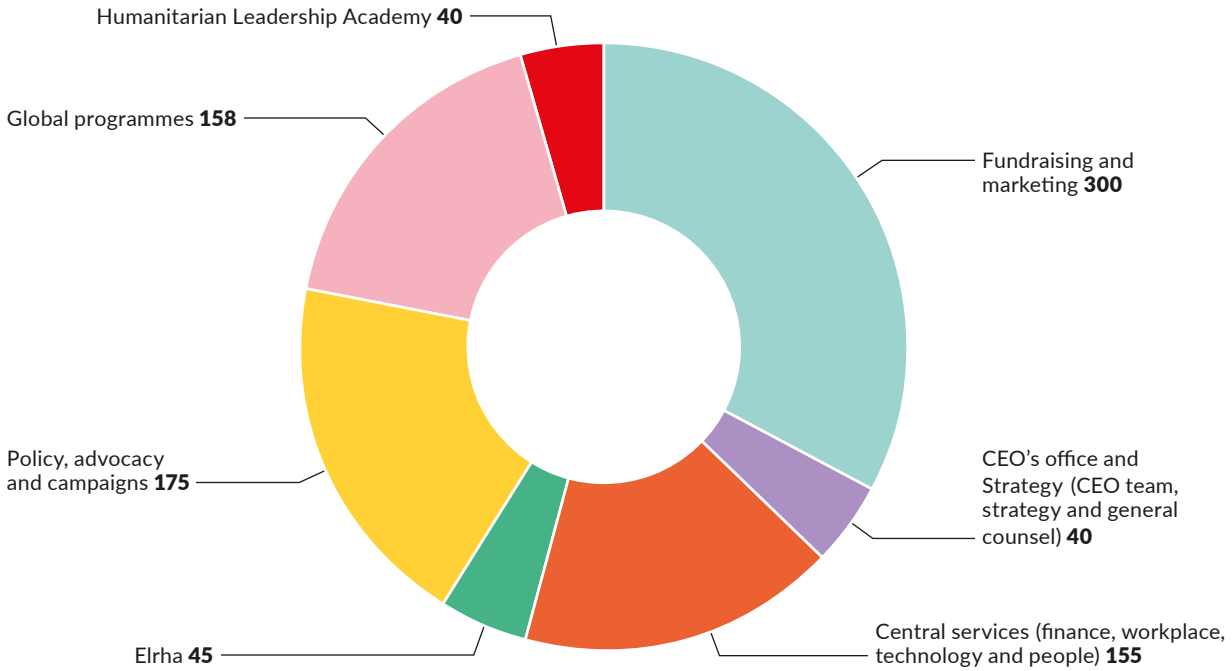
As of 31 December 2024, we had 913 active employees at Save the Children UK and 3,351 people were working in a formal volunteering role.

OUR CULTURE

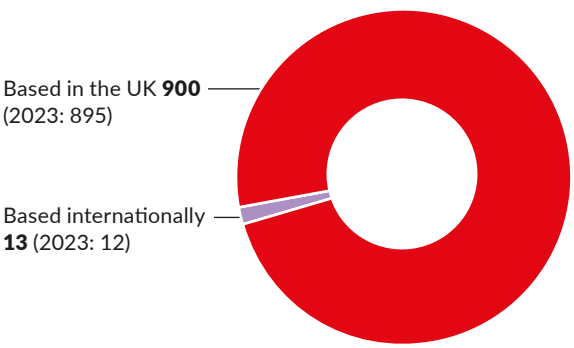
We continued to implement our culture transformation programme, Organisation of the Future, in 2024. It aims to increase our ability to make impact for children and maximise our organisational resilience by embedding an agile mindset and practices.

Our approach ensures that each of our teams has a clear purpose and goals, aligned to our organisational vision and strategy, and that progress is measured regularly so we can continuously adapt and improve. It also seeks to build

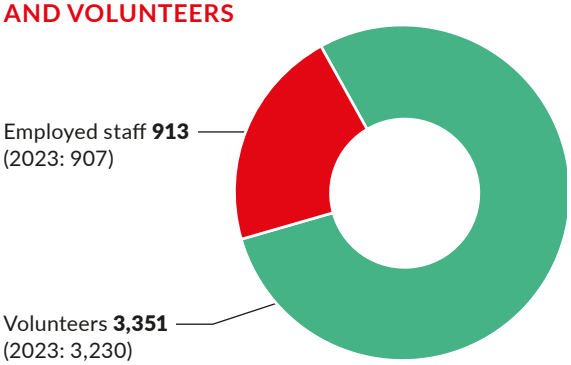
SAVE THE CHILDREN UK STAFF BY DIVISION IN 2024



SAVE THE CHILDREN UK STAFF BY LOCATION



SAVE THE CHILDREN UK ACTIVE EMPLOYED STAFF AND VOUNTEERS



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psychological safety and to increase individual autonomy and responsibility, so that all colleagues are enabled to do their best work.

We began reviewing and updating our people-related policies and processes, to make them easier for colleagues to use, and better able to facilitate a more responsible and efficient culture. We are taking a human-centric approach to this work, testing the policies with colleagues to understand where there are opportunities to make them better. We now have improved versions of our maternity policy, managing grievance policy, redundancy policy and special leave policy.

Towards the end of the year, we initiated a phased programme of changes to review our structures and ways of organising ourselves and bring these into alignment with our new strategy for 2025–27. We are starting with the areas where we have the biggest shifts to make. This will build on successful pilots of self-managed teams operating within flatter structures with fewer layers of management, which are contributing to higher levels of colleague satisfaction and improved results.

EMBEDDING DIVERSITY, EQUITY AND INCLUSION

Save the Children was founded to defend the universal rights of children, including the right to equity, respect, and dignity. This is what we stand for as an organisation and a global movement – and it is the standard we must hold ourselves to, both in our organisational culture and in the work we do with and for children and communities around the world.

We aim to build equity and inclusion for, and improve the experience of, our colleagues from marginalised communities. We have made positive strides but we know we still have much more to do. We will continue to build on and learn from this work, aiming for everyone who works at Save the Children UK to feel a sense of belonging and inclusion so that we can all create impact for children.

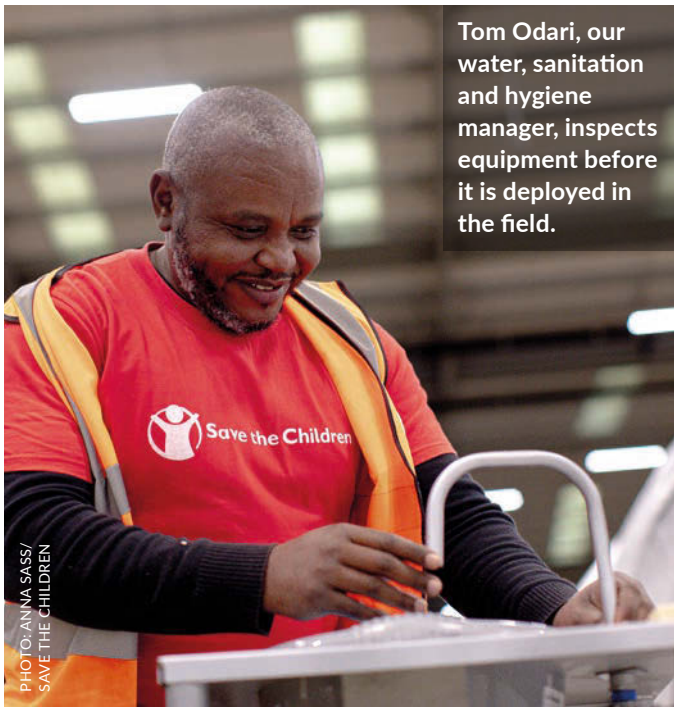


PHOTO: ANNA SASS/ SAVE THE CHILDREN

Tom Odari, our water, sanitation and hygiene manager, inspects equipment before it is deployed in the field.

Here are some examples of the progress we made in 2024:

- We continued our work on raising disability awareness by holding events and developed eLearning to increase understanding and the dismantling of ableism. We launched our disability-confident working group with our Disability Equality staff network to ensure we work systematically to become a more disability-inclusive organisation.
- We held sessions to raise awareness of challenges and opportunities around social mobility, Islamophobia, Black History Month and more.
- We continued our successful Breaking Barriers mentoring and development programme, now in its fourth cohort. This programme has helped to dismantle structural barriers and create internal promotions for those from underrepresented backgrounds.
- We are more representative than we have ever been when it comes to ethnic minority and gender representation at senior levels.
- Concerns were raised regarding Antisemitism and anti-Muslim hatred in 2024, so we commissioned an external review to examine these issues and provide recommendations.

WELLBEING

In 2024, we continued to provide a comprehensive wellbeing offering to our employees. Approximately 20% of the organisation use our Employee Assistance Programme, and we continue to extend this service to our volunteers and partner organisations.

Our annual organisational stress risk assessment provided further insights into the overall wellbeing of our staff and guided our strategies in preventing burnout and mental ill health. Alongside psychological safety workshops, we offer additional workshops to support employees through change and help them navigate challenges. Our neurodivergent community remains active, with a support group available for all employees.

Moving towards a more preventative and inclusive approach to wellbeing was a key focus in the second half of this year. We introduced the Performance Energy programme, which supports teams and individuals in building a framework to maintain their energy levels, in a way that works for them, even when work and life become overwhelming. The Wellbeing team offers this programme as a 90-minute face-to-face or virtual workshop and provides tools for managers and teams to build sustainable wellbeing behaviours.

Our mental health first aiders continue to provide excellent peer support and signposting to both internal and external

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wellbeing resources. We are working towards becoming a menopause-friendly workplace, running regular menopause workshops and cafés that offer employees a safe space to share experiences and support each other.

In 2025, the Wellbeing team will undertake a wellbeing needs mapping exercise across the organisation to inform the future of wellbeing for Save the Children. We will review our suppliers to ensure they are relevant and aligned to our diversity, equity and inclusion goals and will also introduce stronger governance around wellbeing, including refreshing the wellbeing working group and implementing divisional wellbeing representatives to provide a channel for two-way communication regarding staff wellbeing.

ENGAGEMENT WITH EMPLOYEES

Throughout 2024, we embedded a data-driven approach to understanding and improving the employee experience at Save the Children UK. Continuous listening remains a cornerstone of our People strategy. By replacing the traditional annual staff survey with anonymous quarterly pulse surveys, we have been able to consistently gather timely data and insights on key focus areas including engagement, health and wellbeing, and diversity and inclusion. Using technology to deliver transparent, customisable reports, we use this feedback to make informed decisions and drive continuous improvement.

To encourage innovation and introduce new initiatives across the employee lifecycle, the People Team introduced Agile Service Design. This approach centres on redesigning internal processes, systems and people policies through collaboration and engagement. By involving colleagues in the design process, we ensure that solutions are focused on addressing the needs and perspectives of our people. This inclusive approach ensures our people are being listened to and integrates them into the heart of our design processes, reinforcing our commitment to being truly people centred.

This year, we have made several important improvements, including further developing our reasonable adjustments process to ensure all colleagues have equal and fair access to opportunities. We also updated key policies, such as our maternity/pregnant parent policy and workplace resolution policy, while improving the usability and accessibility of our people-focused tools and resources. These improvements reflect our ongoing dedication to creating a more inclusive, supportive, and equitable workplace for everyone.

BECOMING A STRONGER, MORE INNOVATIVE ORGANISATION

We are continuing our journey to develop our digital, data and technology capabilities, to enable Save the Children UK to be more customer-centric, agile, data led and digitally enabled so we can drive more income, innovation and impact for children and the communities we serve. In 2024, we completed the build of our new customer relationship management system, Salesforce, which went live in February 2025. This will enable us to enhance supporter engagement by providing a unified view of all supporter-related data, allowing more personalised, supporter-centric and efficient interactions.



Save the Children staff take part in Christmas Jumper Day.

This year we also began a pilot of enterprise-grade Generative Artificial Intelligence in the form of Microsoft Copilot for 365. The aim is to encourage meaningful staff adoption of AI, understand its impact on staff experience and efficiency, and generate further use cases for Save the Children UK and the wider not-for-profit sector.

We are also working to strengthen our capability and capacity for innovation. The Innovation Hive is a corporate venture unit in Save the Children UK set up to maximise the impact potential and amount of resource directed towards creating lasting change for and with children. One of the ways it does this is through creating an enabling environment for innovation. They help teams test and grow their innovative solutions in a safe space and with the right expertise. This includes things like exploring and scaling new markets or new financial and operational models (such as impact investment, enterprise development and commercial partnerships), setting up knowledge hubs, advising on big system change advocacy or delivering on accelerator or innovation support programmes.

The Innovation Hive is collaborating with global partners to grow and champion ‘child lens investing’, which was named one of *Time* magazine’s 2024 Innovations of the Year. By shifting the approach of impact investors to proactively consider child rights and wellbeing when making their investments, we can mobilise billions more in investment for children.

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REDUCING OUR ECOLOGICAL IMPACT

With the conclusion of our 2022–24 strategic period, this year marked the first milestone in our journey to becoming an ecologically smart organisation. We have set out not only to minimise our environmental footprint (see page 59 for our streamlined energy and carbon reporting), but to actively contribute to protecting nature and demanding ecological justice through our work for children and their right to a clean, healthy and sustainable environment.

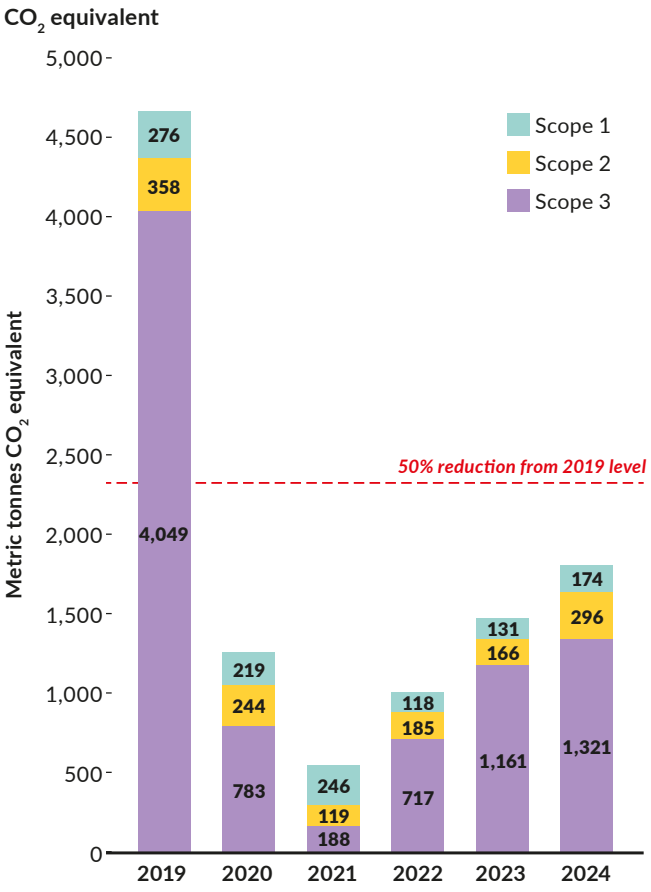
Over the course of this strategy period, we laid the foundations for reducing our harmful impact on the environment and children.

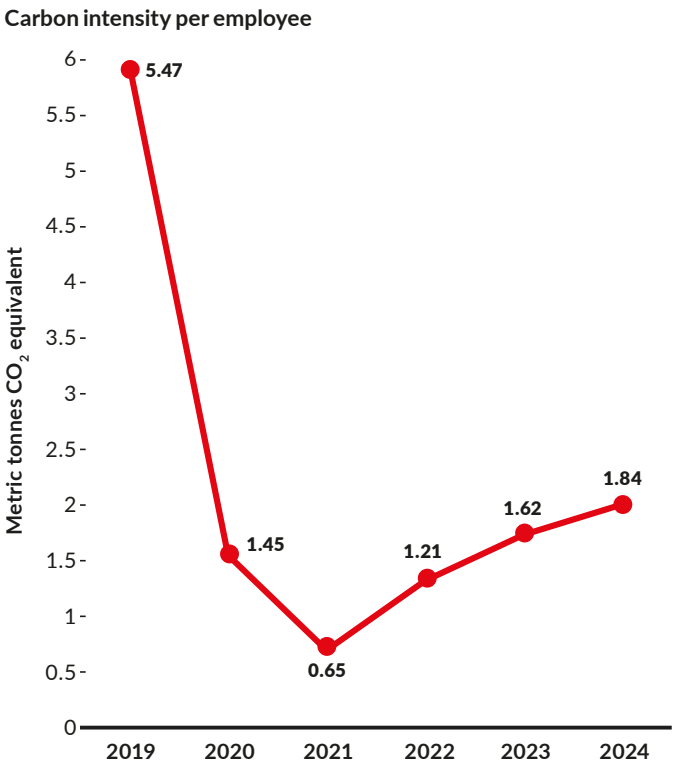
PROGRESS IN 2024

We committed to reducing a selection of our greenhouse gas emissions by 50% by the end of 2024, compared to pre-pandemic levels in 2019. This includes our Scope 1 emissions from sources we directly own or control (fuel used to power our sites and vehicles), our Scope 2 emissions from energy generated elsewhere and supplied to us (electricity used in our shops and offices), as well as some of our Scope 3 emissions, specifically our business travel, hotel stays, and Scope 3 electricity, natural gas, and other fuel types.

We are pleased that we exceeded this ambitious target again in 2024, with a 62% reduction in the total of these emissions compared to 2019.

OUR DIRECT CARBON EMISSIONS





Note: This data differs from SECR data (page 59) and the figures we share with the Save the Children movement, which are both more limited in scope, but are nonetheless mandatory for us to report.

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Lucy, 4, in the Solomon Islands.



A new range of Save the Children products has packaging with artwork by Lucy.

Beyond this commitment, we have driven initiatives to better understand and reduce our wider impacts, including waste, water, paper, employee commuting, working from home emissions, and supply chain purchases. We have installed LED lighting upgrades across eight sites and improved heating controls at three sites. We have analysed our financial engagements – including pensions, banking and investments – and actively engaged with our suppliers, partners, and sector peers to propagate greener practices.

Reducing flight emissions

To deliver our mission for children across the world, travel remains essential. Nevertheless, we are committed to reducing harm from our work and a priority intervention since 2020 has been reducing air travel. We committed to a 70% reduction in flight emissions from our 2019 baseline for each year between 2021 and 2024.

In 2024, our emissions from air travel were 1,016 tonnes of carbon dioxide equivalent (tCO_2e) (1.14 tonnes per employee) – a reduction of 71% from the baseline in 2019. We are pleased that we have exceeded our commitment this year.

Sustainability in our shops

In 2024, 1,459,412 pre-loved items donated by supporters were sold in our shops across the UK, reducing waste and extending the lifespan of clothing, books and household goods. Charity shops like ours help fight fast fashion by promoting circular economy practices and reducing landfill waste.

This year, we launched a new bespoke sustainability range, co-designed with children like four-year-old Lucy from the Solomon Islands, where we are working with local experts to help families like Lucy's set up sustainable businesses. The range includes B-Corp certified British wildflower honey by Black Bee Honey. In partnership with MYGroup, we recycled plastic bags and beach waste to create store fittings and trialled upcycling unsaleable toys for shop refits.

Our Mary's Living & Giving shops worked with TALOU to repurpose damaged wool and Leather UK to restore leather goods, raising over £10,000 from upcycled products at our Chiswick shop alone.

Supply chain

We are working with our suppliers to support and influence emissions reductions throughout our supply chain.

In 2024, we launched a project to better understand emissions associated with our media use. This accounts for among our highest emissions outside of financial engagement. Recognising that all paid media generates emissions, we are collaborating with Medialab to better understand the environmental impact of different advertising methods.

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FINANCIAL PERFORMANCE

We are extremely grateful to all our supporters for their continued generosity across all areas of our work despite the challenging times, and we are committed to ensuring our income is used efficiently, effectively, and responsibly by making every pound count.

HEADLINES

Our total income in 2024 was £305 million and our total spend was £309 million, an increase of £9 million and £14 million respectively on the previous year.

	2024 (£m)	2023 (£m)	Increase/ (Decrease)
Restricted income	213	215	(2)
Unrestricted income	92	81	11
Total income	**305**	**296**	**9**
Restricted spend	218	216	2
Unrestricted spend	91	79	12
Total spend	**309**	**295**	**14**

INCOME

Our 2024 income was £9 million higher than 2023. While our restricted income, donations and grants given for a specific purpose fell slightly to £213 million, our unrestricted income performed strongly, increasing by £11 million to £92 million.

INSTITUTIONAL DONORS: £184 MILLION (2023: £176 MILLION)

The income we receive from our institutional partners is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world. Our largest funders are the Foreign, Commonwealth & Development Office (FCDO), the Global Partnership for Education Fund, the Disasters Emergency Committee (DEC) and the United Nations. Our overall income in 2024 from institutional partners increased by £8 million compared with 2023. This was mainly driven by additional FCDO income for a Start Network ARC Replica Insurance payout in Zimbabwe. Additionally, income from other national governments exceeded 2023 levels due to higher income from the German Federal Foreign Office to Start Network. This was offset by a reduction of income from the United Nations as two health and nutrition programmes in Ethiopia came to an end, as well as a reduction of income from European donors and the DEC.

INDIVIDUALS, LEGACIES AND COMMUNITIES: £72 MILLION (2023: £66 MILLION)

Income from individuals and communities was £45 million, down £2 million on 2023. Regular donations from individuals were down £1 million compared with 2023 reflecting the downward trend in regular giving income. One-off donations were £1 million lower than 2023 due to higher appeal income in 2023 from the Türkiye Syria Earthquake and Gaza emergency appeals.

We had an exceptional year for legacy income, receiving £27 million of legacy income in 2024, an increase of £8 million on 2023.

CORPORATES, MAJOR DONORS AND TRUSTS: £30 MILLION (2023: £34 MILLION)

Income from major donors and trusts was £16 million, a £2 million decrease on 2023 driven by lower emergency appeal income in 2024. Strong relationships with our corporate partners generated £14 million in 2024, but this is down £2 million compared to 2023. GSK was our largest corporate partner, providing income of £3 million in 2024.

TRADING: £10 MILLION (2023: £9 MILLION)

Our shop income was £9.3 million, in line with 2023. Despite having fewer shops open and trading than in 2023, income held stable as revenue grew to offset the income lost from the shops we closed, which had been making a lower contribution. We also generated £0.4 million from other trading activities relating to income received through our trading entity Save the Children (Sales) Limited for logo licences and commercial participator agreements.

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EXPENDITURE

Our total expenditure in 2024 was £309 million, an increase of £14 million on the previous year.

CHARITABLE ACTIVITIES: £265 MILLION (2023: £256 MILLION)

Our charitable expenditure includes £215 million directly on programmes internationally and in the UK; £12 million directly on advocacy and awareness; and £38 million on support costs for our programme, advocacy and campaigning work. The diagram below shows our charitable expenditure broken down by thematic areas.

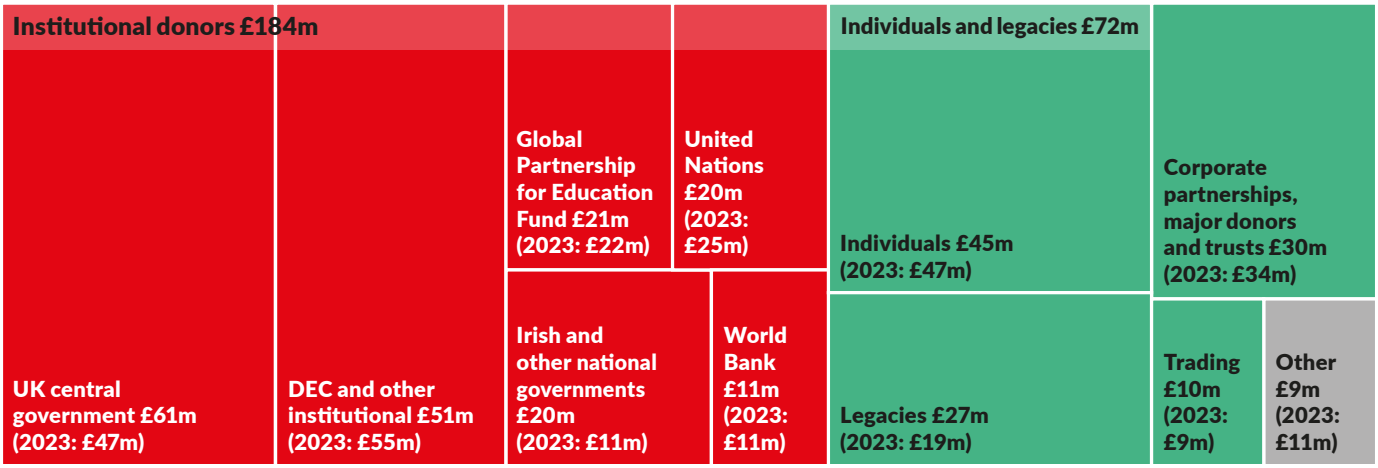
We spent £95 million responding to emergencies in 2024, which includes grant expenditure of £41 million through the Start Network, and £12 million through our humanitarian entity Elrha. This was £16 million higher than in 2023 as we continued to respond to existing crises such as Ukraine and the Türkiye Syria earthquake, while also responding to new crises in 2024 including conflict in Gaza and drought in Zimbabwe.

Our expenditure on protection and rights increased by £4 million to £17 million, driven by spending on programmes in Somalia to address gender-based violence and child abuse and in Syria on strengthening social connectedness and reducing inequalities. Spending on livelihoods decreased by £11 million to £17 million as our programme focusing on strengthening social protection systems in Somalia, the Bangladesh Suchana programme on ending the cycle of undernutrition, and work in Nigeria on expanding social protection for inclusive development all came to an end.

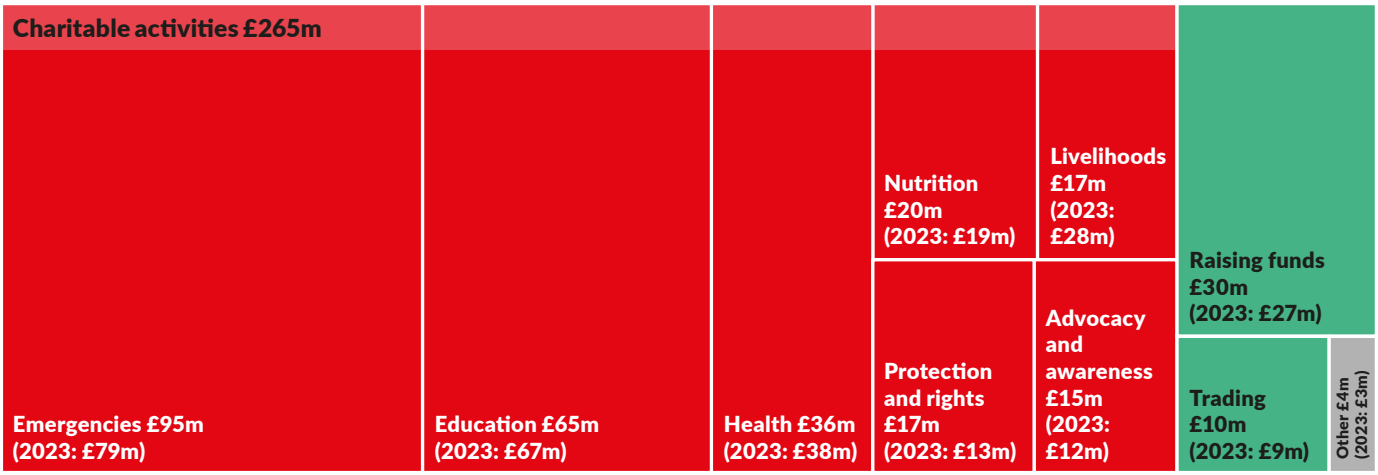
Our spending on advocacy and awareness in 2024 was £15 million, £3 million higher than in 2023 as a result of launching a new brand campaign bringing awareness about the reality of children's lives around the world to the wider public. We also work with others to drive long term change, including through spending £3 million of an advocacy grant from the Gates Foundation.

2024 INCOME AND EXPENDITURE

Income £305 million



Expenditure £309 million



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RAISING FUNDS: £40 MILLION (2023: £36 MILLION)

Our spend on raising funds has increased in 2024 as we continued to invest in future sustainable growth. We spent £26 million (£23 million in 2023) on the direct costs of running our diverse fundraising channels and activities. We continued our investment in fundraising by re-platforming our crucial customer relationship management and content management systems and increasing our spending on marketing investment to drive future income growth.

Direct spend relating to our retail operations was £9 million (£8 million in 2023). This increase was driven by one-off lease provisions in 2024, inflationary pressures and investment in paid shop managers. Due to the higher costs, the retail operations of the charity made a loss of £0.7 million, compared to £0.1 million of profit in 2023, and £0.8 million of profit in 2022. A review of our retail strategy is underway to ensure we maximise our future profitability.

SUPPORT COSTS

In accordance with the statement of recommended practice for charities' accounting and reporting, our support costs are allocated over the functional areas they relate to, as shown in the pie chart below.

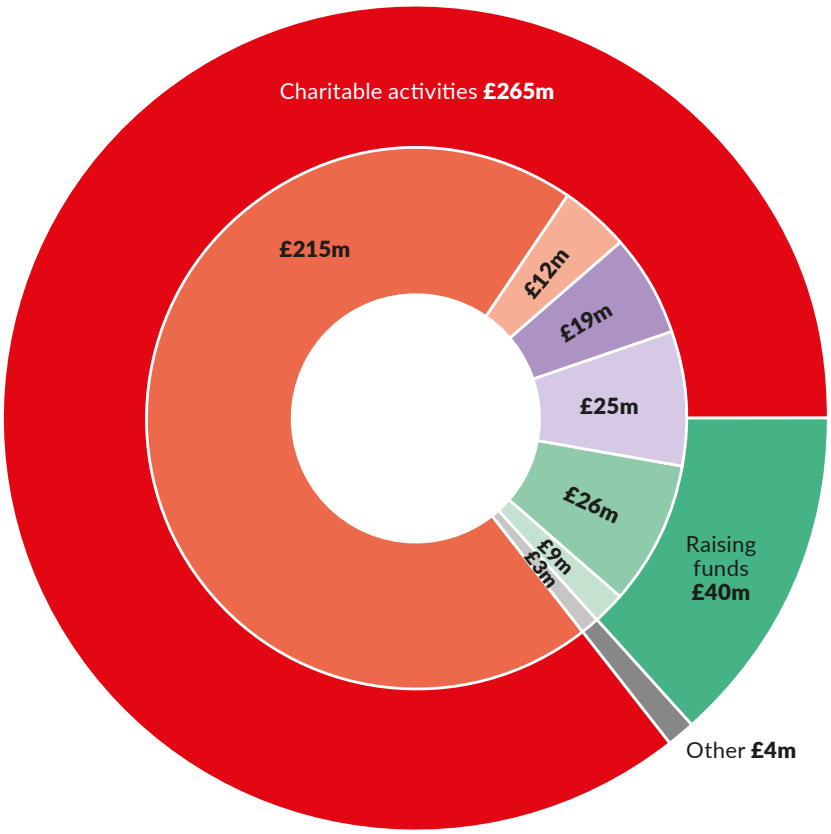
Total management and administration support costs include spending on technology, premises, finance, human resources, legal and governance activities (such as safeguarding), protection against fraud and audit costs. These support costs increased by £4 million on the previous year to £25 million in 2024, driven by inflationary and wage pressures, investment in technology and cyber security, higher legal costs and costs associated with organisation change projects.

Programme support costs are those incurred in designing and monitoring programmes, and by Save the Children International in delivering programmes, which were £19 million in 2024, in line with the previous year.

While these support costs are a necessary part of running the organisation, we continually look for efficiencies. We announced in February 2025 our Refocus for Impact strategy and reorganisation to respond more effectively by shifting scarce resources from HQ activities, such as management and administration and programme support costs to frontline challenges. In addition, we have been successful in leasing surplus space in our head office building to other charities, with two additional charities moving in in 2024 and three so far in 2025.

2024 EXPENDITURE

Total expenditure £309 million



Charitable activities – £265m includes
£215m on global programming
£12m on advocacy and awareness
£19m on programme support costs
£19m allocation of management and administration support costs

Raising funds – £40m includes
£26m fundraising costs
£9m trading costs
£5m allocation of management and administration support costs

Other – £4m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

- Global programming
- Advocacy and awareness
- Programme support costs
- Management and administration
- Fundraising
- Trading
- Other

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TOTAL FUNDS

As at the end of 2024, the closing funds are made up of the following balances.

	2024 (£m)	2023 (£m)
General reserve	49.5	46.3
Revaluation reserve	6.3	5.3
Designated funds	3.3	4.4
Pension reserve	(1.9)	(0.1)
Total unrestricted funds	**57.2**	**55.8**
Restricted funds	7.7	12.5
Endowment funds	5.7	5.3
Total restricted funds	**13.4**	**17.8**

UNRESTRICTED FUNDS

General reserves of £49.5 million are the part of the charity's funds that are not restricted or designated to any particular purpose. (See reserves policy below for further details.) The balance on the revaluation reserve is the unrealised gain on our investment portfolio. Designated funds are funds that have been invested in fixed assets, associates or programme-related investments or have been allocated for a specific purpose by the Trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve these funds are not readily available so are not included in the calculation of general reserves.

RESTRICTED FUNDS

Restricted funds of £7.7 million represent funds that have been given for a particular purpose. The trustees have no discretion to reallocate them for other use. See note 22 of the financial statements for further details of how this balance is split by region or specific appeal. These balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset, the fund is permanent and only the income generated by the fund can be expended.

RESERVES POLICY

Our reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds at the discretion of the trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income; allowing time to adjust our cost base or business model
- incurring one-off costs that are not covered from donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are backed by highly liquid investments so that we can draw on them quickly if necessary. See further details in the Investments section below.

The Board assesses the reserve range annually and ahead of approving the annual financial budget the Board reviews a detailed risk assessment to determine the level of general reserves appropriate for the charity to maintain. When setting the level of general reserves, the Board also considers the potential liability relating to the Save the Children Defined Benefit Pension Scheme benefit review (see note 25h of the financial statements). In the event of an adverse ruling this would primarily be funded through a multi-year payment plan that would be agreed with TPT Retirement Solutions Limited. We estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made previously when the Scheme was in deficit. The trustees have determined to increase general reserves annually until 2025 (when a court ruling is anticipated to be made).

Having considered both the detailed risk assessment and an increase appropriate for this potential liability, the Board considered that a general reserves target range of £38.5–£43.5 million was appropriate for 2024. Our closing 2024 reserves of £49.5 million are above the range due to our strong unrestricted income performance in 2024, especially legacy income. The Board considers that a range of £40–£50 million is appropriate for 2025, higher than the 2024 range in line with the trustees' decision to increase general reserves annually until 2025.

INVESTMENTS

The trustees have the authority conferred by the Memorandum and Articles of Association to invest as they think fit any of Save the Children's money that is not immediately required.

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. This policy places restrictions on investment in sectors or companies whose activities are not in line with the values and policies that we advocate. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice

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when markets are weak. We maintain the majority of our investments in equities and bonds to have the opportunity of long-term growth. The portfolio reported an increase in net assets of £1.9 million in 2024 (2023: £1.8 million). Across all our investments the current market value is £6.3 million higher than their book cost in 2024.

PENSION SCHEME

The valuation of Save the Children's Defined Benefit scheme (a scheme in the TPT Retirement Solutions Limited umbrella trust), for the purposes of Financial Reporting Standard (FRS) 102, showed a funding deficit of £1.9 million at the end of 2024 (2023: surplus of £2.8 million). The FRS102 valuation is different from the triennial actuarial valuation which assesses the level of pension contributions required to meet future obligations of the Scheme. The actuary's last triennial actuarial valuation was performed in September 2023 and showed a deficit of £2.5 million. A scheme funding update in September 2024 showed a deficit of £4.7 million. It was therefore agreed with TPT that we would resume making deficit contributions totalling £3 million (including expenses) payable from April 2025 until March 2027. As detailed in note 25h of the financial statements, a review of scheme benefit changes is currently being undertaken.

We also have a Defined Benefit Growth Plan Scheme in the TPT, which had a deficit of £0.07 million at the end of 2024 (2023: deficit of £0.03 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children UK works in partnership with many organisations and during the year we provided grants to the value of £182 million. The largest amount of grant money was given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate emergency relief. Such grants help local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work with children. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

We closely monitor our financial performance throughout the year. The Executive Directors review regular reporting on income, spend, reserves, debt and cashflow positions to achieve Board-approved targets. On a quarterly basis we provide financial analysis for review by the Finance Committee and Board. We also undertake two in-year reforecasts to enable us to review and respond to changing financial circumstances as and when they arise.

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. We have processes in place to regularly monitor short and medium term cash flows in order to minimise liquidity risk and ensure that we have sufficient liquidity within our agreed thresholds. Goods and services purchased are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. In addition, we review assets and liabilities by currency on a monthly basis and if required reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children's financial performance and the General Reserves position for 2024. The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements ("the going concern period"), which considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

These forecasts assume that there will be increased pressures on the economy, in particular inflationary pressure, increasing costs. Our planning process, including financial and cashflow projections, has taken into consideration the current and forecasted economic climate and its potential impact on our various sources of income and planned expenditure, as well as announced UK government cuts to international aid and potential outcomes from the review of pension scheme benefit changes currently being undertaken. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, as detailed in our General Reserves policy, we hold General Reserves to provide cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We will continue to monitor the situation as it unfolds and manage our finances accordingly.

Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

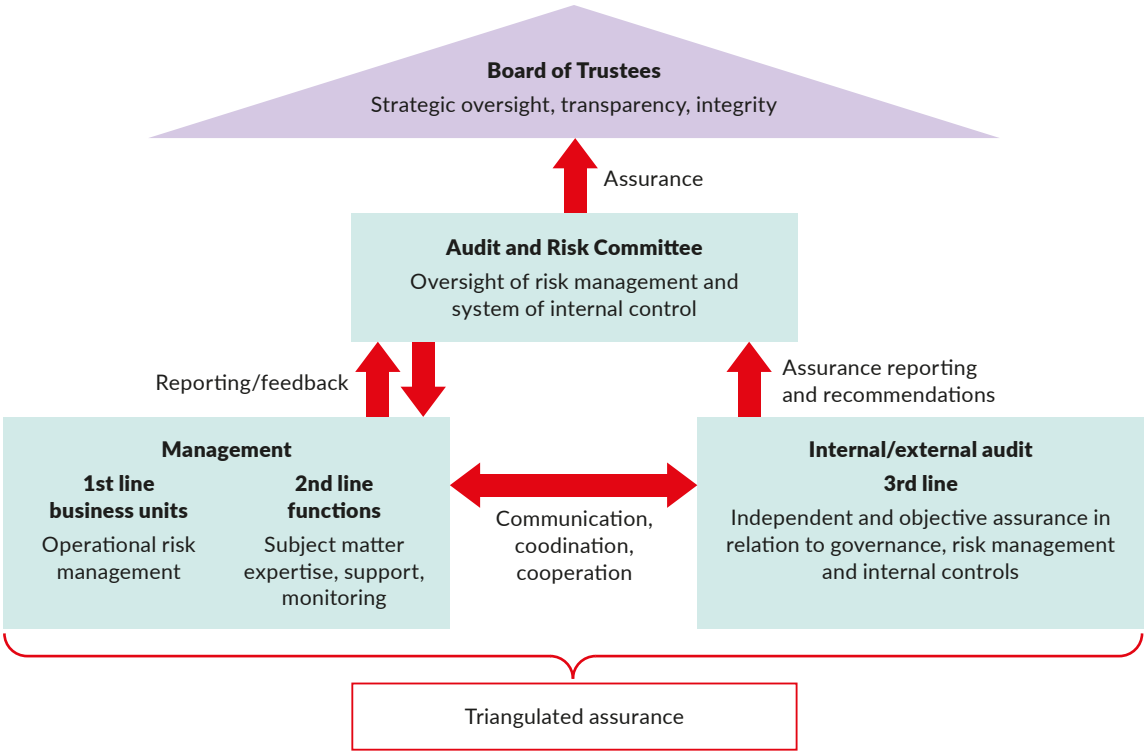
At Save the Children UK, risk management principles are integrated into everything we do – from setting strategic priorities to delivering successful initiatives with partners, children and families. Our objectives require us to take informed risks and, in doing so, we prioritise the protection of people and assets and compliance with relevant legal and regulatory frameworks.

The Board of Trustees, supported by our Head of Enterprise Risk Management and Executive Leadership Team, identifies and monitors the principal risks that have the potential to be systemic and to jeopardise achievement of our strategic objectives. Risk objectives are set for each of the principal risks to focus resource and attention on ensuring we have appropriate mechanisms in place to manage them. This process provides a framework for continuous improvement so that we increase our certainty of achieving our strategy.

Members of the Executive Leadership Team are accountable to the Board for managing the principal risks.

Having in place a sound system of internal control allows us to be agile and responsive to changing threats and priorities. We use the 'three lines' model to promote a collaborative and robust approach to risk management across the organisation. The 'first line' is the staff responsible for the day-to-day management of risk in the context of their objectives. They are supported by 'second line' professional functions who set and advise on policies and procedures. The 'third line' consists of independent, objective assurance from internal and external auditors. The Audit and Risk Committee (a committee of the Board of Trustees) regularly receives and scrutinises information from first, second and third-line sources about the effectiveness of key risk controls and reports its findings to the Board of Trustees.

RISK ASSURANCE AND THE 'THREE LINES' MODEL



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WORKING TOGETHER TO MANAGE SHARED RISKS

The Save the Children movement operates through a networked structure, and members share exposure to financial, operational and reputational risks. We work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. We continue to work with Save the Children International to refine a shared dynamic dashboard that helps us monitor risk assurance information relating to our international programming work. In 2024, the Board of Trustees decided to align more closely with the Save the Children Movement by adopting a common set of principal risk areas. This helps ensure that all members of the Save the Children Movement are aware of the risks that are present across the network in the context of our shared global strategy.

INTERNAL AUDIT

The Internal Audit function is an important part of how we assess the effectiveness of the policies and processes in place to manage key risks. The findings and recommendations from audits help us to identify areas for improvement. In 2024, our internal audit function was delivered by Global Assurance, which is hosted by Save the Children International. Risk-based audits were conducted across key areas such as cyber security, subsidiaries and managed entities, and safeguarding. Internal audit reports were shared with the relevant Executive Directors, as well as the Audit and Risk Committee of the Board. Progress on agreed audit actions is monitored by the Audit and Risk Committee.

CONTINUOUS IMPROVEMENT IN HOW WE MANAGE RISK

In 2024, we commissioned our first Enterprise Risk Management maturity assessment, which was a learning exercise to inform the Board of Trustees and senior management about how well we are currently set up to embed a strategic, value-adding and integrated approach to risk management. We will use the learnings to continue integrating risk management into our ways of working. In our refreshed strategy for 2025–2027, our ambition to increase our risk maturity will contribute to our Culture of Impact, ensuring that our risk culture, processes and practices are fit for purpose and fit for the future.

PRINCIPAL RISKS AND UNCERTAINTIES IN 2024

Our macro external context is characterised by global volatility. Armed conflicts, extreme weather events and environmental disasters, erosion of human rights and deepening inequalities are examples of issues that continue to drive an ongoing need for our support and present a challenging operating environment. This year, we refreshed our Vision for Children and our Strategy 2025–2027, including conducting comprehensive analyses of: trends affecting children now and in the future, shifts in the system within which we operate, and what those things might mean for our future role. The resulting strategy addresses some of the big strategic risks we face – both opportunities and threats – and will help us navigate the complex and ever-changing world in which we seek to create lasting change for children.

The table below sets out the 12 principal areas of risk that were monitored by the Board of Trustees during 2024. Significant failures in any of these areas could jeopardise delivery of our strategic objectives.

MANAGEMENT OF PRINCIPAL RISKS IN 2024

Risk area	Risk mitigation strategy
Volatility, business continuity and resilience	Given a rapidly changing UK and global context, we continue to evolve and adapt and ensure that our operations are resilient to all threats. This includes horizon scanning, crisis management and business continuity planning.
Leadership, culture and people	Our success will depend on building an adaptive, joyful, human-centric and purposeful culture that has the skills and resilience to continuously evolve the organisation and elevate our impact. We are intentional in our approach to change through our Organisation of the Future programme.
Cyber security and data protection	Malicious cyber threats continue to increase in number and sophistication. We have frameworks in place to monitor, review and improve cyber security given the ever-evolving nature of this risk. We continue to raise awareness of data protection and information security issues with staff and partners to prevent breaches and to learn and respond when incidents do occur.

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MANAGEMENT OF PRINCIPAL RISKS IN 2024 *continued*

Risk area	Risk mitigation strategy
Governance	We regularly review our governance arrangements to ensure that they are compliant with regulatory expectations and sector best practice, and that they enable the Board of Trustees and management to discharge their responsibilities efficiently and effectively.
Funding our strategy and financial sustainability	We are successfully diversifying our restricted income portfolio and continue to identify opportunities for increasing value for money. However, we are monitoring global events, in particular the reduction in UK and US aid which we expect to result in lower income in future years. In 2024, we completed the build of our new customer relationship management system, which will enhance our supporter engagement, and are continuing to invest in long-term brand marketing to increase unrestricted income, which is fundamental for achieving our strategy and gives us a degree of resilience and protection in light of the uncertainty around any potential defined benefit pension liability.
Partnerships and shifting the power	We are committed to achieving sustainable impact by using our power and resources to support the growth of diverse and local partners, both internationally and in the UK.
Safeguarding of children, communities and staff	We continue to build a shared understanding of our approach to safeguarding across our different contexts, and put the systems, training and oversight in place to drive continuous improvement. Three internal audits during 2024 focused on different aspects of our safeguarding system. This included a review of actions taken in response to a 2022 safeguarding audit, confirming substantial progress in implementing improvements.
Policy, advocacy and campaigns	Our new strategy sets out how we will act as an advocate for change, and we will continue to ensure that our approach is informed by, and responsive to, changes in the external environment and the specific threats or opportunities these present for children's rights.
Business transformation, optimisation and innovation	We will succeed in transforming our organisation by embedding an agile mindset and ways of working, harnessing and optimising our resources for impact. This includes realising our Digital, Data and Technology aims and enhancing our innovation capabilities.
Regulatory and donor influence and compliance	In a changing donor ecosystem and complex operating environment, our prioritised partnerships will enable strengthened capacity to respond to, influence and manage fewer donors. This includes enhancing our analytical and assurance capabilities to identify and address compliance challenges affecting our international portfolio.
Minimising and combating fraud	We will continue to keep pace with the changing nature of fraud and ensure that we act to prevent, detect, report and learn from fraud through our work in the UK and abroad. In 2025, we will review the strength of our controls in view of the new 'failure to prevent fraud' offence under the Economic Crime and Corporate Transparency Act.
Quality programme design, delivery and impact	Our new strategy sets out a focused role for us as a contractor and a catalyst, requiring a shift in our approach to programme design, delivery and impact. We will continue to drive a learning culture to hone our programmes for greater impact for children.

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HOW WE WORK

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

At Save the Children UK, accountability is one of our organisational values. It is essential for building and maintaining the trust of our stakeholders, ensuring donor confidence and supporting our people to achieve our objectives. Every individual and team has a role to play in ensuring:

- **Dynamic accountability** – building meaningful relationships with children, supporters, staff and partners to understand their needs and establish and build on shared values.
- **Strategic accountability** – having the greatest impact for children.
- **Responsible behaviour** – putting safeguarding, financial accountability and environmental responsibility at the heart of our decision-making and governance.

Our 2022–2024 strategy called on us to work more closely with children – listening more intently to them and further amplifying their voices. We shifted power and resources to children, communities and our local partners, in the UK and globally. We were bolder in speaking out and building the power of children and our allies to do so themselves too. Our Youth Advisory Board helped us hold true to putting children's rights at the heart of everything we do. We also continued to develop strategic, shared-value partnerships to co-create lasting impact, and build meaningful relationships with our supporters for the long term.

We strive for the highest level of transparency in our reporting so our supporters can hold us to account. Since 2012, we have voluntarily published timely, detailed and comparable information on our programme spend through the International Aid Transparency Initiative, which is accessible to all our donors and supporters.

In 2024, the Save the Children Association strengthened its Mutual Accountability Protocol, a mechanism to ensure that all Save the Children entities meet essential commitments relating to our organisational health and execution of our global strategy. It helps us hold each other to account and monitor our overall health as a Movement. We continue to assess ourselves against the standards set out within the Mutual Accountability Framework on a yearly basis.

Please visit the accountability page on our website for further details on how we ensure accountability to our stakeholders.

GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we need to make sure we live up to the international standards and regulations relevant to our work. That's why we are signed up to numerous different platforms, movements and conventions that encourage the creation of a fairer, more equal and more sustainable world.

For example, we are signed up as a participating organisation to the United Nations (UN) Global Compact – an initiative that aims to mobilise a global movement of sustainable companies taking steps to support the UN Sustainable Development Goals. Participants in the Global Compact seek to do this by aligning their strategies and operations with the Compact's Ten Principles covering human rights, labour practices, the environment and anti-corruption.

We also endorse other initiatives focused on promoting inclusive and sustainable practices, such as Make My Money Matter, a campaign for more ethical pensions, and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation.

In addition, we are committed to supporting the implementation of internationally recognised conventions aimed at promoting the rights, and improving the lives, of children and families. These include: the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination Against Women, the Geneva Conventions, the UN Refugee Convention and the UN Convention on the Rights of Persons with Disabilities. This year, we piloted a Children's Scorecard for Child Rights and Sustainable Development, which enables children to provide their views and scores on progress towards the UN Sustainable Development Goals and help accelerate progress (see page 10).

SAFEGUARDING

Keeping the children and adults we work with safe is vital and our top priority. We believe that all children, adults, families and communities who come into contact with us or our partners (in person or online) should have a safe, inclusive and collaborative experience, free from all forms of abuse, harm and harassment. We expect all staff, volunteers and partners to demonstrate the highest standards of behaviour in both their professional and personal lives. And we do all we can to prevent, report and respond appropriately to all safeguarding concerns.

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Save the Children UK's five pillars of safeguarding are:

1. Prevention (preventing harm, including through robust risk management)
2. Reporting (ensuring children and adults including staff, volunteers and partners can share any concerns they have, and will be protected to do so, while also encouraging lower-level, 'near miss' reporting)
3. Response (investigating all concerns in a prompt, safe, fair and survivor-centred way)
4. Learning (seeking feedback from children and families, survivors, staff, volunteers and partners, and regular case reviews)
5. Governance (ensuring that our Board is well equipped to hold us to account).

We aim to constantly learn from our mistakes and to reflect this in how we shape and implement our safeguarding policies.

In addition, in 2024, we:

- conducted listening exercises with children on safeguarding, embedding their insights into our policies and practice
- worked with key grassroots partners to strengthen their safeguarding systems
- completed targeted work to strengthen our risk management around safeguarding
- developed a bespoke approach to support safe volunteering by 16–18 year olds in our retail shops
- expanded our safeguarding leads model, increasing the number of leads and supporting the identification and management of safeguarding risks at the point of origin, and facilitated the continual improvement of practices
- continued to tackle reporting hesitancy among staff and volunteers
- continued to track and learn from reporter feedback to strengthen our case management and handling practices
- worked with colleagues across Save the Children International to ensure robust safeguarding approaches across all areas of our funded work worldwide within the Save the Children Movement.

SAFEGUARDING INCIDENT REPORTS IN 2024

We take every safeguarding report we receive seriously, and always take prompt action, ensuring any survivor's needs are met. In 2024, we continued efforts to identify and remove barriers to reporting safeguarding concerns and encouraged staff and volunteers to report all concerns, including low-level ones.

Because of the nature of our work, members of the public, families with whom we work and our staff and volunteers often contact us for general safeguarding advice unrelated to our work. In 2024, 27 such concerns were received, and were either addressed directly or referred to local agencies including social services. This included families who attend our UK activities requesting support with neglect and domestic abuse and staff and volunteers raising concerns relating to harm occurring in their community.

Two reports involved our work through partners, including a potential (non-sexual) exploitation case relating to our work in Ukraine. This was dealt with by our partner, and the contract of the partner staff member was terminated. The other concern related to the conduct of a partner volunteer in the UK, who had shouted at someone. The partner investigated the matter and the volunteer was given managerial advice.

We received a further 35 lower-level reports relating to our work or our representatives, none of which alleged any serious harm. These lower-level concerns included potential 'near misses' (for example, individuals with an inappropriate background seeking to volunteer with us) and system development areas (for example, strengthening our safer recruitment practices and providing clearer guidance around handling donations from individuals with inappropriate backgrounds).

Six reports were potentially more serious and required further investigation. These included two reports of individuals volunteering within one of our retail shops who had a prior criminal history (unrelated to their time at Save the Children), a volunteer who was accused of inappropriate conduct in a previous role, a campaigns volunteer who had a prior criminal history (unrelated to their time at Save the Children), a member of the public using inappropriate language towards a staff member on two occasions in a Save the Children shop, and a report related to lower-level sexual harassment occurring several years ago, with the alleged subject no longer working for Save the Children. All reports were dealt with swiftly and additional action was taken to further strengthen our volunteering recruitment processes in particular. None of these reports required notification to the Charity Commission or police.

INTERNATIONAL PROGRAMMING

We work with Save the Children International to deliver our internationally funded programmes. Together, we strive to ensure that the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its own annual report.

FUNDRAISING COMPLIANCE

We comply with all relevant statutes and regulations relating to fundraising, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. We also comply with the Telephone Preference Service. We strive for best

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practice in fundraising by adhering to a range of codes of practice and standards. This includes being a member of the Chartered Institute of Fundraising, being registered with the Fundraising Regulator, and adhering to the Fundraising Regulator's Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children UK can report a concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money. These include working with philanthropists and corporate supporters, through our chain of charity shops, via volunteer community fundraising groups, using advertising on television and social media, through mass events such as Christmas Jumper Day, and by talking to our existing supporters. Our staff team conducts most of this activity, but we also engage professional fundraising agencies to speak to supporters on the phone, door to door, on the street and on private sites.

DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal Policy ensures that we do not compromise our mission and values when it comes to raising income and that we make decisions on whether or not to accept donations in view of relevant Charity Commission guidance. The Donation Acceptance Committee (a committee of our Board of Trustees) considers potential high-risk donations to Save the Children UK (see page 62). In 2024, we identified 58 potential high-risk funding opportunities from a variety of individuals, companies and trusts, across different sectors. We proceeded with 52 of these opportunities and turned down six due to concerns that the nature of the potential donors' activities conflicted with our work, values and/or commitment to children. The Donation Acceptance and Refusal Policy is reviewed formally every two years. The Policy and our External Statement, which are on our website, were reviewed, updated and approved by our Trustees in 2024.

TREATING SUPPORTERS FAIRLY

We have continued to ensure that supporters and members of the public are afforded the highest levels of support, respect and protection. Guidance for fundraisers on treating our supporters fairly, including protecting supporters in vulnerable circumstances, is followed across all of our fundraising activities, and we train supporter-facing teams and our fundraising agencies on this. It is also a key consideration when we monitor our fundraising approach and practice.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages professional fundraising agencies to undertake fundraising on our behalf through telephone and face-to-face fundraising, which is conducted on the street, door to door and on private sites. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure that fundraising activities conducted on our behalf meet the highest standards, comply with all relevant regulations, and embody Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of mystery shopping, site visits, call monitoring, contract monitoring and regular meetings, and we train fundraisers on our expectations. We report our findings to the Audit and Risk Committee of our Board of Trustees on a regular basis.

COMMERCIAL PARTICIPATORS

Save the Children UK works with corporations that sell goods or services and donate a proportion of the proceeds to us – they are called commercial participators. In 2024, we benefited from seven new commercial participator agreements and eight ongoing multi-year partnerships. This year, as in previous years, we have worked with companies in various sectors.

RAISING A COMPLAINT OR CONCERN

We know there are times when we do not meet the high standards we set for ourselves as an organisation. When this happens, we ensure that the problem is investigated and that steps are taken to prevent it from happening again. We are continuously improving our fundraising and marketing practices, ensuring our supporters are at the heart of decisions about our fundraising. Nevertheless, we do receive complaints. We classify a 'complaint' as an expression of dissatisfaction with a specific aspect of our activities, addressed directly to us via email, letter, telephone or instant messaging services.

In 2024, our supporter-facing teams received 459 public complaints (348 in 2023), of which 52 related to our messaging around the conflict in the Middle East and are included in the 'Fundraising methodology and solicitation' category in the table below. The increase in fundraising complaints is proportionate to the increase in our activity in various channels such as face to face and direct response television. These two channels bring in more than 50% of our new supporters and produced over 100 complaints between them last year. Our overall increased fundraising activity has also generated more complaints through administration errors as we expand the procedures and systems used to process donations.

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Fundraising Regulator's complaints reporting guidelines, we are committed to fair, honest and open fundraising practice. No complaints were investigated by the Fundraising Regulator in 2024. For further details on our complaints procedure, please see our website.

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COMPLAINTS BY CATEGORY

Category	Total
Advocacy and campaigns	1
Fundraising (gift administration)	164
Fundraising (methodology and solicitation)	191
Governance, strategy and policy	47
Our work	2
Trading	54
Total	**459**

OUR APPROACH TO PAY

We are committed to being a kind, agile and inclusive organisation. Securing the right people is key to delivering our strategy. One of the ways we do this is by paying our colleagues a fair salary that is competitive within the charity sector and proportionate to the complexity and responsibilities of each role. We have also signed the pledge to Show the Salary, are accredited by the Living Wage Foundation, and have committed to three key principles for pay:

- equality/fairness
- responsible financial management
- market competitiveness in line with the wider charity sector.

We pay all colleagues a living wage of at least £13.85 per hour in London and £12.60 per hour in the rest of the UK. In January 2024, staff received a 3.8% pay increase.

GENDER PAY GAP

Save the Children UK is committed to achieving gender equality in pay.

The gender pay gap is the difference between the average hourly pay of female colleagues and male colleagues, expressed as both median and mean. Since 2017/18 the mean gender pay gap has seen an almost 50% reduction, from 14.2% to 7.4%. This has been due to the implementation of effective policies, making appropriate offers during the recruitment process and employing best endeavours to make pay decisions with pay equity in mind. In the same period, the median has gone from 8% to 6%; this shows a slight improvement but nevertheless highlights ongoing inequities. This continues to be an area for further improvement.

As of 5 April 2024, we employed three times as many female employees as males. When arranging employees into four quartiles based on pay, females outnumber males in all quartiles; the percentage of females decreases with each higher quartile.

- The median pay for males was 6% higher than for females (5.4% in 2023). The national median gender pay gap (including both full and part-time employees) is estimated to be 13.1% according to figures from the Office for National Statistics.
- Mean pay for males was 7.3% higher than for females (7% in 2023).

ETHNICITY PAY GAP

The ethnicity pay gap is the difference between the average hourly pay of Black, Asian and Minority Ethnic (BAME) colleagues and white colleagues, expressed as both median and mean.

The ethnicity pay gap has continued to decline. As of 5 April 2024, the mean pay gap was -0.2% and the median 0.8%.

While there is a 0.2% pay gap in favour of colleagues from BAME backgrounds, further analysis shows that, on average, colleagues from a Mixed background (5% more) and Asian colleagues (3% more) are paid more than white colleagues, but disparities still exist as Black colleagues on average get paid 6% less than their white counterparts.

- Our median ethnicity pay gap as of 5 April 2024 was 0.8% (1.6% in 2023).

Within each ethnic group, females get paid less than their male counterparts. White females on average get paid 6% less than white males.

Black females get paid on average 11% less than white males, possibly because of intersectional disadvantage. While there is still work to do to narrow the gap, it has more than halved from 25% in November 2019.

ACTIONS TO ADDRESS PAY DISPARITIES

We are committed to working towards closing the gender and ethnicity pay gaps further.

We reviewed and updated our salary ranges based on current data for London and raised them to match the median salaries in non-profit organisations. We also adjusted the starting and maximum salaries to make our pay more competitive. We plan to shift our pay policy so that the median salary becomes the starting point instead of the target. We also plan to ensure that:

- The majority of roles advertised offer a part-time option, including senior roles.
- We increase internal activities to promote greater diversity, in particular with gender and ethnicity.
- We carry out analysis on leavers by gender and ethnicity annually to ascertain if women/people of colour in senior

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grades leave more frequently compared to men/white colleagues and use exit interviews to see if pay is the reason for leaving.

- We work with our internal network groups such as the parents' and carers' network to see how we can offer more flexibility to help balance work and caring responsibilities.

EXECUTIVE DIRECTOR REMUNERATION IN 2024

The Trustees delegate the day-to-day running of the organisation to the Executive Directors, who are considered the key management personnel. Compensation for all Executive Directors employed at Save the Children UK for the year ending 31 December 2024 is detailed here.

Our Chief Executive Officer was paid a full-time equivalent annual salary of £143,000 in 2024. The ratio of our CEO's pay to our employees' is as follows:

- Upper quartile (£57,505): 2.5:1 (2.6:1 in 2023)
- Median pay (£47,748): 3.0:1 (3.1:1 in 2023)
- Lower quartile (£38,873): 3.7:1 (3.7:1 in 2023)

Position	Responsibility	Actual gross salary 2024	Full-time equivalent annual salary	
			2024	2023
Chief Executive Officer Gwen Hines (to 29/02/2024)	Provides overall leadership to the organisation, working with the Board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£24,286	£148,434	£143,000
Interim Chief Executive Officer Gemma Sherrington (from 19/02/2024)		£123,520	£143,000	–
Executive Director of Fundraising and Marketing Gemma Sherrington (to 18/02/2024)	Responsible for engaging the UK public to support Save the Children UK through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£16,833	£122,951	£118,450
Executive Director of Global Programmes Adam Berthoud (to 31/08/2024)	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£81,967	£122,951	£118,450
Interim Co-Executive Director of Global Programmes Uju Aderemi (from 22/07/2024)	Responsible for the design and delivery of our programmes, strengthening strategic partnerships and managing risk to drive impact at scale to ensure children survive, learn and are protected.	£51,356	£115,000	–
Interim Co-Executive Director of Global Programmes Ali Forder (from 22/07/2024)	Responsible for our programme quality and impact and humanitarian work, as well as global impact strategy transformation and culture.	£51,356	£115,000	–
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill (to 08/07/2024)	Responsible for our UK programmes and our policy, advocacy and campaigning work, encouraging decision-makers in the UK and around the world to deliver for children.	£47,919	£122,951	£118,450
Interim Executive Director of Policy, Advocacy and Campaigns Dan Paskins (from 03/06/2024)		£67,083	£115,000	–
Chief Finance and Technology Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children, and responsible for the digital, data and technology teams.	£134,940	£134,940	£130,000
Executive Director of Organisational Effectiveness Pria Rai	Responsible for the recruitment, support and development of our team of 913 staff, and for initiatives to improve our people management capabilities and employee experience.	£128,297	£128,297	£123,600

** Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of individuals starting or leaving their role during the year. In addition to the gross salary, a total of £140,702 was paid for employer's national insurance, pension contributions and life insurance in respect of the above individuals.*

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STREAMLINED ENERGY AND CARBON REPORTING

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January 2024 to 31 December 2024, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)', using the Department for Energy Security and Net Zero's 2023 and 2024 conversion factors as applicable. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

You can read more about how we reduced our greenhouse gas emissions, and other initiatives to minimise our environmental footprint, on page 44.

	01/01/2024–31/12/2024	01/01/2023–31/12/2023
Total energy consumption – used for emissions calculation (kilowatt hours)	**2,797,681**	2,448,842
Combustion emissions, Scope 1 (tonnes of carbon dioxide equivalent (tCO_2e))	**125**	119
Purchased electricity emissions, Scope 2 (tCO_2e)	**395**	341
Vehicle fuel combustion emissions, Scope 1 (tCO_2e)	**34**	12
Vehicle fuel combustion emissions, Scope 3 (tCO_2e)	**15**	24
Total gross reported emissions (tCO_2e)	**570**	496
Staff	**889**	882
Intensity ratio: staff (tCO_2e/staff member)	**0.64**	0.56

Please note, due to rounding, individual figures may not sum to the totals provided.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

Save the Children UK is a member of the Save the Children Association (SCA), a global movement made up of 30 separate national members and Save the Children International (SCI). SCI was established in 2011 and has responsibility for implementing international programmes outside SCA member countries through its network of 61 country offices and three independent national offices. SCI is registered as a charity in England and Wales, and SCA is its sole member.

SCA members are responsible for programming, advocacy and fundraising in their home countries, as well as overseeing the international work carried out by SCI. Some members, including Save the Children UK, also design international programmes in conjunction with national donors, which are implemented by SCI. These members provide surge capacity to support the delivery of frontline programmes in emergency situations. Financing for international programmes is provided by 17 members, including Save the Children UK.

In November 2022, SCA launched Save the Children Global Ventures (SCGV), a new entity designed to catalyse private sector investment to transform the lives of the world's most disadvantaged children and their communities. In 2024, SCGV developed its child-lens investment framework, which puts children's rights and wellbeing at the centre of the investment process. SCGV now oversees a portfolio of impact investments that focus on delivering significant advances for children across health, education, child protection and related themes.

SAVE THE CHILDREN UK

Save the Children UK is a charitable company limited by guarantee, incorporated under the name: Save the Children Fund. The charity's Articles of Association provide that its Trustees (who are also the Directors of Save the Children UK for the purposes of company law) are the only members of the charity. The business of the charity is governed by the Board of Trustees (whose members during the year are listed below). The Trustees are responsible for overseeing the management of all the affairs of Save the Children UK. They delegate day-to-day management of the organisation to the Chief Executive and Executive Directors.

Save the Children Fund (1 St John's Lane, London, EC1M 4AR) is a limited company registered in England and Wales (178159) and a registered charity in England and Wales (213890), Scotland (SC039570) and Isle of Man (199).

TRUSTEES* AND COMMITTEES

Board Members	Committees
Dr Tsitsi Chawatama-Kwambana (Chair) (on maternity leave from 28/07/23–01/08/24)	N, S
Richard Winter CBE (Interim Chair; Hon. Treasurer; Co-Vice Chair)	A, F, I, N
Arabella Duffield (Co-Vice Chair) (retired 16/02/25)	A, D, S
Jason Allen (appointed 31/01/24)	
Kitbir Chahal (appointed 31/01/24)	
Catherine Doran	S, ST, A
Anne Fahy (Interim Hon. Treasurer) (retired 16/10/24)	F, I
Timothy Fallowfield OBE	A, F
Jessica Gladstone	D, S
Razia Khan	D
Laura King (appointed 31/01/24)	F
Jane Long (appointed 31/01/24)	P
Stuart Mcminnies (appointed 06/03/25)	F, I
Dianna Melrose	N, W, P, SLT
Kajal Odedra	N, P
Babatunde Soyoye	F

Independent Members and External Advisers	Committees
Louise Hall	I
Stephanie Limond	I
Bruce Darton (appointed 27/02/24)	A

* Trustee biographies are available on our website

Committee	Chair
(A) Audit and Risk Committee	Timothy Fallowfield OBE
(F) Finance Committee	Richard Winter CBE (returned 17/10/24), Anne Fahy (Interim Chair, appointed 31/07/23, retired 16/10/24)
(I) Investment and Pensions Subcommittee	Richard Winter CBE (returned 17/10/24), Anne Fahy (Interim Chair, appointed 31/07/23, retired 16/10/24)
(D) Donation Acceptance Committee	Jessica Gladstone
(N) Nominations Committee	Dianna Melrose
(P) People Committee	Jane Long (appointed 31/01/24), Kajal Odedra (resigned 31/01/24)
(S) Safeguarding Committee	Catherine Doran
(ST) Safeguarding Trustee	Catherine Doran
(SLT) Staff Liaison Trustee	Dianna Melrose
(W) Whistleblowing Trustee	Dianna Melrose

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EXECUTIVE DIRECTORS as at 31 December 2024

Gemma Sherrington	Interim Chief Executive Officer
Francis D'Souza	Chief Financial Officer
Dan Paskins	Interim Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Executive Director of Organisational Effectiveness
Uju Aderemi	Interim Co-Executive Director of Global Programmes
Ali Forder	Interim Co-Executive Director of Global Programmes

COMPANY SECRETARY
Bonike Bracewell

PRINCIPAL PROFESSIONAL ADVISORS
Save the Children's principal professional advisers include:

Independent Auditor
KPMG LLP
15 Canada Square, London E14 5GL

Principal Banker
National Westminster Bank
250 Bishopsgate, London EC2M 4AA

Principal Investment Manager
Newton Investment Management Ltd
BNY Mellon Centre, 160 Queen Victoria Street,
London EC4V 4LA

Principal Legal Adviser
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

EXTERNAL AUDITOR
KPMG LLP has expressed its willingness to continue to act as auditor. A resolution to reappoint it, under section 485 of the Companies Act 2006, was approved at the Board of Trustees' meeting on 22 May 2025.

SAVE THE CHILDREN UK GROUP MEMBERS

Save the Children UK has four subsidiaries, of which the first three listed below are operational:

Elrha aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children UK and was established as an independent subsidiary charity in May 2018.

Save the Children (Sales) Limited aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and through trading new goods through our shops, branches and website.

Humanitarian Leadership Academy (Enterprise) aims to enable people around the world to prepare for and respond to crises in their own countries, and to generate income for Save the Children UK.

Humanitarian Leadership Academy was designed and developed within Save the Children UK and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children UK in 2019, and it no longer has any independent operating activity.

Medical Emergency Relief International (Merlin) was a charity that aimed to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities were transferred to Save the Children UK after Save the Children UK became the sole member of Merlin in 2013. From that date, Merlin's activities began to be wound down until it no longer had any direct operational activity. On 21 March 2024, the Merlin Trustees signed a deed of transfer, under which the remaining net assets of Merlin were transferred to Save the Children UK. The merger of Merlin into Save the Children UK was officially recorded by the Charity Commission on 23 September 2024, at which point Merlin was dissolved and ceased to exist as a separate entity.

The performance results of each subsidiary are consolidated into the group accounts. For further details, see note 1 on page 72 and note 14 of the financial statements on page 84.

GRANT CUSTODIAN FOR START NETWORK

Start Network is an independent charity, with Save the Children UK acting as grant funds custodian for some of its work. Only income and expenditure of awards where Save the Children UK is acting as the grant custodian (and in that capacity is therefore legally responsible to donors for the application of those funds) are recognised in our accounts. Save the Children UK's role as sole grant custodian is due to end on 31 October 2025.

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HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees (Board) is responsible for ensuring that the organisation's activities are in furtherance of its charitable objectives and in accordance with UK law. The Board's work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out in the Standing Orders of Save the Children UK. As of 31 December 2024, there were ten women and four men on the Board, five of whom identify as people of colour.

The Board acts on advice and information from regular meetings with the Chief Executive and Executive Directors. Trustees are able to take independent professional advice if it helps them fulfil their role. We also agree and implement an individual induction programme for each new Trustee, covering all aspects of the role and the organisation.

In 2024, the Board held four hybrid meetings to review the charity's performance in delivering against our objectives in 2024, and to review and approve the organisation's 2025–2027 strategy, 'Lasting Change Starts Here'. The Board also reviewed plans to embed and resource the new strategy; reviewed the organisation's principal risks; discussed progress on people and culture; and agreed the budget for 2025.

The Board also held several ad hoc meetings to discuss operational and financial matters with Executive Directors, including the charity's annual report and accounts. The Board also held an away day which included a visit to one of the charity's community partners, followed by a meeting with Executive Directors that focused on the strategic direction of the organisation and the UK Impact strategy.

The Board has delegated specific responsibilities to six regular committees (Audit and Risk, Finance, Donation Acceptance, Nominations, People, and Safeguarding committees) and one subcommittee of the Finance Committee (Investment and Pensions) whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

The **Audit and Risk Committee** oversaw preparation of the 2023 annual report. It reviewed the assurances provided to Trustees about the control environment in operation during 2024 and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2025 and received reports of completed 2024 audits and agreed actions. The committee was updated on the management of key risks across a number of areas, including on programming, safeguarding, fundraising and marketing, health and safety, security, finance, insurance, whistleblowing, people and culture, fraud, advocacy and campaigns, information management (including cyber security), data protection, subsidiaries management and serious incident reporting. For an overview of risk management arrangements and principal risks, please see the Annual Trustee Risk Statement on pages 51–53. The committee met five times in 2024.

The **Finance Committee** reviewed the financial results from 2023 and in-year forecasts for 2024, discussed 2025–2027 financial projections and supervised preparation of the 2025 budget. The committee also oversaw activities of the subsidiary entities, approved all recommendations to accept awards worth more than £10 million and reviewed quarterly treasury updates. The committee met four times in 2024.

The **Investment and Pensions Subcommittee** is a subcommittee of the Finance Committee. It met four times in 2024 to review the performance of, and any issues relating to, Save the Children UK's investments, investment manager and pension funds.

The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity (and, ultimately, children) to accept a donation or not. The committee is made up of three Trustees and three Executive Directors. Information was shared with the committee by email throughout the year, and the committee met once in 2024. More information on the donation acceptance and refusal process can be found on page 56.

Among other roles, the **Nominations Committee** finds and recommends potential candidates for appointment to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the existing Board. It manages a formal, rigorous, inclusive and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with the approach recommended in the Charity Governance Code. It also considers appointments to the charity's Board committees. The committee is responsible for promoting diversity, equity and inclusion (DEI) at Board level and ensures that new trustees are recruited in a way that reflects DEI principles. It is also responsible for leading the trustee self-assessment and review process, including an annual review of the Chair's performance, as well as an annual trustee skills audit. The committee met four times in 2024.

The **People Committee** oversees the organisation's work on its people and culture, performance and pay. It is accountable for reviewing the performance of the Chief Executive and makes recommendations to the Board on the remuneration, benefits and terms of employment of the Executive Team. In 2024, the committee oversaw progress on the development and implementation of a number of priorities in the People Strategy, including wellbeing, diversity and inclusion, compensation, performance enablement and engagement. It also scrutinises our people performance dashboard. The committee met four times in 2024.

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The **Safeguarding Committee** oversees and scrutinises Save the Children UK's response to safeguarding incidents, including serious incidents of a safeguarding nature. The Safeguarding Committee also oversees the charity's safeguarding policies, the effectiveness of its safeguarding system and progress made on strengthening the organisation's safeguarding culture. The committee met four times in 2024.

TRUSTEE RESPONSIBILITIES

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

The Trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations. They are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company, and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclosing with reasonable accuracy at any time the financial position of the charitable company. They must ensure that the charity's financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

BOARD ACCOUNTABILITY

As part of its commitment to transparency, the Board has published summaries of its quarterly meetings on Save the Children UK's website. The Chair updates staff on the Board's quarterly meetings and their outcomes. As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with employees whenever an ad hoc meeting is requested. They report back to the Board on staff interests and concerns at Board meetings or in the intervening period, depending on the urgency of the matter being raised.

CHARITY GOVERNANCE CODE

In 2017, the Board resolved to adopt the Charity Governance Code (the Code) for larger charities. The Code encourages charities to publish a brief narrative in their annual reports explaining how they have been applying it. In 2020, the Board conducted an external board effectiveness review, in accordance with the Code's recommendation that large charities conduct such a review every three years. The review was carried out against the updated Code, which reinforces its focus on the principles of integrity, equality, diversity and inclusion. The board effectiveness review was completed in April 2021, and an implementation plan was put in place to improve the Board's effectiveness in the five agreed areas the review recommended.

In 2024, the Board agreed to hold its next external board effectiveness review in 2025, following the appointment of the charity's new Chief Executive Officer in January 2025. Campbell Tickell has been selected to conduct the next review, which will take place in the first half of 2025, to ensure that Save the Children UK continues to operate within and develop high standards of governance.

PUBLIC BENEFIT

Our Trustees have a duty to develop strategic plans to ensure that Save the Children UK provides public benefit and achieves its charitable objectives, as set out in our governing document. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, carrying out research into the aforementioned, and public

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education on related matters. These objectives fall under the purposes defined by the Charities Act 2011. We refer to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning future activities.

INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2024, in accordance with our policies governance framework, we reviewed and updated five internal policies, including our Political Activity and Campaigning Policy and our Restructure and Redundancy Policy and Procedure.

You can find out more about our organisation's policies – including those on safeguarding, conduct, and donation acceptance and refusal – on the policies page of our website.

MODERN SLAVERY

Over the course of 2024, we continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting and publishing key policies as necessary; continuing to include modern slavery clauses in the contracts we enter into with other organisations to hold them and us to account; and testing and identifying areas in Save the Children UK's direct supply chain where there may be a risk of forced labour, human trafficking or other forms of modern slavery. Save the Children UK uses funds and expertise to work closely with Save the Children International to identify, resolve and eliminate any modern slavery in the supply chain for our international programming work undertaken by Save the Children International.

Save the Children UK had no cases of modern slavery to report in its supply chain during 2024. In line with statutory requirements, we continue to publish our modern slavery statement on our website.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4–64 was approved by the Board of Trustees on 22 May 2025.

Signed by:
Tsitsi Chawatama
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Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK

22-May-2025 | 21:59 BST

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SAVE THE CHILDREN FUND

OPINION

We have audited the financial statements of Save the Children Fund ("the Charitable Company") for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Charitable Company's affairs as at 31 December 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Charitable Company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Trustees, the Audit and Risk Committee, Internal Audit, and management, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that donations, legacy income and charitable income are recorded inappropriately;
- the risk that Group management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates such as the year-end legacy receivable balance.

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On this audit we did not identify a fraud risk over retail income, investment income, gifts in kind and other income due to the simplicity and value of these revenue streams. We therefore assessed that there was limited incentive for the Group to manipulate the income that was reported. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who do not do so frequently, and journals which credit donations income and are posted during the post close period;
- Agreeing a sample of donations income recorded just before the period end to relevant supporting evidence and cash receipts to confirm the transactions were recorded in the correct period;
- Agreeing a sample of year-end legacy receivable transactions back to relevant legal documents, and assessing the estimate of the receivable for bias;
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy; and
- Testing a sample of transactions to verify the categorisation of income between restricted and unrestricted income, to ensure revenue has been recognised in line with the criteria in the Charities SORP.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

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

OTHER INFORMATION

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 63, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's Trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members and the Charitable Company's Trustees 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, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

27 May 2025

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STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2024 £000**	Total funds year to 31/12/2023 £000
Income and endowments from:					
Donations and legacies	2	78,152	13,938	**92,090**	92,662
Charitable activities	3	–	198,560	**198,560**	189,136
Other trading activities	4	9,575	133	**9,708**	9,568
Investments	5	1,514	50	**1,564**	1,469
Other	6	2,912	–	**2,912**	3,180
Total income		92,153	212,681	**304,834**	296,015
Expenditure on:					
Raising funds					
Raising donations and legacies	7	29,702	440	**30,142**	26,914
Other trading activities	7	9,872	78	**9,950**	8,998
Investment management costs	7	113	1	**114**	394
Total raising funds		39,687	519	**40,206**	36,306
Charitable activities					
Nutrition	7	2,478	16,976	**19,454**	19,333
Livelihoods	7	2,328	14,840	**17,168**	27,507
Health	7	4,277	31,673	**35,950**	37,434
Protection and rights	7	2,234	15,123	**17,357**	12,853
Education	7	9,810	54,982	**64,792**	67,338
Rapid onset emergencies	7	14,714	80,567	**95,281**	79,338
Advocacy and awareness	7	12,352	2,750	**15,102**	12,488
Total charitable activities		48,193	216,911	**265,104**	256,291
Other	7	3,478	23	**3,501**	2,828
Total expenditure		91,358	217,453	**308,811**	295,425
Net gains on investments	13	2,466	421	**2,887**	2,885
Movement on share of associate's surplus	14	12	–	**12**	39
Net income		3,273	(4,351)	**(1,078)**	3,514
Transfers between funds	21	(42)	42	**–**	–
Actuarial (losses)/gains on defined benefit pension scheme	25	(1,864)	–	**(1,864)**	391
Net movement in funds		1,367	(4,309)	**(2,942)**	3,905
Fund balances brought forward		55,830	17,750	**73,580**	69,675
Fund balances carried forward	21	57,197	13,441	**70,638**	73,580

All gains and losses recognised in the year are included above. All activities relate to continuing operations.

The restricted fund balances carried forward include £5,686,000 (2023: £5,259,000), which relate to endowment funds.

There were no new endowments in the year and there were gains in the funds in the current year of £421,000 (2023: gains £414,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2024

	Notes	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Fixed assets					
Intangible assets	11	**67**	115	**67**	115
Tangible assets	12	**1,606**	1,553	**1,606**	1,553
Investments	13	**41,887**	45,973	**42,162**	46,248
Associates	14b	**647**	635	**–**	–
		44,207	48,276	**43,835**	47,916
Current assets					
Stocks	15	**824**	808	**722**	717
Grant debtors	16a	**16,072**	19,071	**15,325**	18,599
Other debtors	16b	**44,091**	51,168	**43,844**	50,752
Short-term deposits		**37,768**	15,089	**37,768**	15,089
Cash at bank and in hand		**7,665**	4,047	**7,081**	3,900
		106,420	90,183	**104,740**	89,057
Creditors: amounts falling due within one year	17a	**(72,115)**	(60,645)	**(70,692)**	(61,482)
Net current assets		**34,305**	29,538	**34,048**	27,575
Total assets less current liabilities		**78,512**	77,814	**77,883**	75,491
Creditors: amounts falling due after more than one year	17b	**(936)**	(1,115)	**(936)**	(1,115)
Provisions for liabilities	18	**(4,995)**	(3,085)	**(4,995)**	(3,085)
Net assets excluding pension liability		**72,581**	73,614	**71,952**	71,291
Defined benefit pension scheme liability	25	**(1,943)**	(34)	**(1,943)**	(34)
Total net assets		**70,638**	73,580	**70,009**	71,257
Unrestricted funds					
General reserve	21	**49,469**	46,321	**50,208**	46,554
Revaluation reserve	21	**6,301**	5,269	**6,301**	5,269
Designated funds	21	**3,370**	4,374	**2,723**	2,666
Total unrestricted funds excluding pension reserve		**59,140**	55,964	**59,232**	54,489
Pension reserve	25	**(1,943)**	(134)	**(1,943)**	(134)
Total unrestricted funds		**57,197**	55,830	**57,289**	54,355
All restricted and endowed funds					
Restricted income funds	22	**7,755**	12,491	**7,034**	11,643
Endowment funds	23	**5,686**	5,259	**5,686**	5,259
Total restricted funds		**13,441**	17,750	**12,720**	16,902
Total funds		**70,638**	73,580	**70,009**	71,257

The accompanying notes are an integral part of these consolidated and charity balance sheets.

The financial statements on pages 69 to 104 were approved by the Board of Trustees on 22 May 2025 and signed on their behalf by the Chair and Honorary Treasurer.

Signed by:
Tsitsi Chawatama
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Dr Tsitsi Chawatama-Kwambana – Chair
22-May-2025 | 21:59 BST
Company Number: 178159

Signed by:
Richard Winter
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Richard Winter CBE – Honorary Treasurer
23-May-2025 | 04:49 BST

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Net cash flows from operating activities	(a)	**18,027**	(31,687)
Cash flows from investing activities			
Bank interest received	5	**1,031**	952
Dividends received	5	**533**	517
Purchase of tangible fixed assets	12	**(411)**	(319)
Proceeds from sale of fixed assets		**156**	–
Purchase of investments	13	**(4,193)**	(2,291)
Proceeds from sale of investments	13	**10,817**	2,385
Net cash movement in investments	13	**349**	(94)
Investment in associate	14b	**(12)**	(39)
Net cash used in investing activities		**8,270**	1,111
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	**26,297**	(30,575)
Cash and cash equivalents at the beginning of the year		**19,136**	49,711
Cash and cash equivalents at the end of the year		**45,433**	19,136

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTES TO THE CASH FLOW STATEMENT	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
(a) Reconciliation of net income to net cash flow from operating activities		
Net (expenditure)/income	**(1,078)**	3,514
Investment income	**(1,564)**	(1,469)
Gains on investments	**(2,887)**	(2,885)
Adjustment for pension funding	**372**	601
Payments to defined benefit pension scheme	**(327)**	(240)
Net gain on disposal of fixed assets	**(146)**	–
Depreciation charge	**348**	375
Amortisation charge	**48**	113
Increase in stocks	**(16)**	(384)
Decrease/(increase) in debtors	**10,076**	(22,985)
Increase/(decrease) in creditors falling due within one year	**11,470**	(5,911)
(Decrease)/increase in creditors falling due in more than one year	**(179)**	266
Increase/(decrease) in provisions	**1,910**	(2,682)
Net cash flows from operating activities	**18,027**	(31,687)

(b) Analysis of cash and cash equivalents	At 01/01/2024 £000	Cash flow £000	**At 31/12/2024 £000**
Cash at bank and in hand	4,047	3,618	**7,665**
Short-term deposits	15,089	22,679	**37,768**
	19,136	26,297	**45,433**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION
The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' published in October 2019, and applicable United Kingdom law and accounting standards.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The group meets the definition of a public benefit entity under FRS 102. See page 63 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared on the going concern basis. The trustees have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements ("the going concern period"). These forecasts considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. These forecasts assume that there will be increased pressures on the economy, in particular inflationary pressure increasing costs. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecasted economic climate and its potential impact on our various sources of income and planned expenditure, as well as announced UK government cuts to international aid and potential outcomes from the review of pension scheme benefit changes currently being undertaken. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, we hold general reserves to cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We continually monitor our actual and forecasted financial performance and manage our finances accordingly. Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, Save the Children (Sales) Limited, Medical Emergency Relief International (Merlin), Humanitarian Leadership Academy (Enterprises) Limited, Humanitarian Leadership Academy and Elrha. The results of these subsidiaries are consolidated on a line-by-line basis.

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme-related investment as this investment is made directly in pursuit of SCUK's charitable purposes. Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

Save the Children UK has treated the William Belmer Rush Foundation as an associate owing to the significant influence exerted over its financial and operating policies, and has accounted for the Foundation in the group financial statements on a net equity basis. The consolidated SOFA includes the group's share of the associate's surplus or deficit.

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. Only income and expenditure on awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised.

The charity has availed itself of Paragraph 4 (1) of Schedule 1 to the Accounting Regulations and has adapted the Companies Act formats to reflect the special nature of the charity's activities.

(B) COMPANY STATUS
The charity is a company limited by guarantee. The members of the company are the trustees named on page 60. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING
General funds
General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and that have not been designated for other purposes.

Designated funds
Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 21.

Pension reserve
Unrestricted funds include a pension reserve representing the defined benefit pension scheme and growth plan valuation, in line with FRS 102 section 28: Employee Benefits.

Restricted funds
Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are

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1. ACCOUNTING POLICIES (CONTINUED)

charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in the notes to the financial statements.

Endowment funds
Endowment funds represent assets received that may not be exhausted. Only the income may be expended. Net investment gains and losses are recognised against the relevant endowment fund.

Investment income and gains are allocated to the appropriate fund.

(D) INCOME

All incoming resources are included in the SOFA when Save the Children UK is entitled to the income, when receipt of funds is probable, and when the amount can be measured with sufficient reliability.

Donations and legacies
Donations
Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivering certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Legacies
Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement.

Reversionary interests involving a life tenant are not recognised until we are notified that the prior interest has ended.

Gifts in kind
Gifts for onward distribution
Gifts in kind donated for distribution are included at fair value and are recognised as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include food, clothing and medical supplies.

Gifts for resale
Gifts in kind donated for resale are recognised within retail income when they are sold.

Donated facilities and support
Gifts in kind also include pro bono legal and professional services, and campaigning and fundraising goods and services, which are all recognised when received or performed. These have been valued either at market value or, where a market value is not available or appropriate, an appropriate estimate of the value to the charity is made.

Volunteers
Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community fundraisers and ambassadors. However in accordance with the statement of recommended practice, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities
Grants from governments, agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance-related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

For payment by results contracts, where it has been agreed with the donor that we can retain the surplus, with no restrictions on how these are utilised, these have been reflected as a transfer between restricted and unrestricted funds.

Income from charitable activities also includes income from pay-outs of insurance policies where both the insurance policy and subsequent pay-out are intended for charitable activity.

Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where Save the Children UK is required to pre-finance projects.

Other trading activities
Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax. Other trading income also includes income received through our trading entity Save the Children (Sales) Limited for logo licences and commercial participator agreements.

(E) EXPENDITURE

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income, running our retail operations and managing our investments and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme

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1. ACCOUNTING POLICIES (CONTINUED)

activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

Support costs, such as general management, governance, human resources, financial management, programme support, information systems and premises costs are allocated across the categories of charitable activities and costs of raising funds. The basis of the cost allocation has been explained in the notes to the accounts.

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

All expenditure of a capital nature on relief and development work overseas is expensed as incurred, as are capital items of expenditure in the UK with an individual asset value under £5,000. However, for leasehold property improvements where individual costs are below the stated capitalisation threshold but collective costs are above £5,000, these are capitalised at the time of purchase.

Fixed assets are capitalised at cost, which, for gifts of property, is taken as the value accepted for stamp duty purposes on transfer.

Depreciation is provided from the time assets are available for use, at rates calculated to write off the costs on a straight-line basis over their expected useful economic lives, as follows:

Freehold properties	50 years
Freehold property improvements	10 years
Leasehold property improvements – headquarters	Lease period
Other leasehold property improvements	5 years
Computer equipment	5 years

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Where expenditure on computer software meets the FRS 102 criteria for recognition as an intangible asset, the computer software including development costs is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains or losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries and programme-related investments are included in the balance sheet at their historical cost (ie, the fair value of the consideration given by the company) less, where appropriate, impairment provisions for any permanent decrease in value.

(I) STOCKS

Stocks are valued at cost less an allowance for obsolescence. Undistributed gifts in kind are recognised on the balance sheet as stocks at the fair value of those gifts at the time of receipt.

(J) PENSION COSTS

For defined benefit schemes, the amounts charged in expenditure are the costs arising from employees' services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments and the expenses of running the scheme. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within finance costs or credits similar to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in actuarial gains/losses on defined benefit pension schemes in the SOFA.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities (iBoxx Corporate AA 15+ years index), but a reduction in the rate has been made to take into account the duration of the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. A pension liability, if applicable, is presented separately after net assets on the face of the balance sheet. A pension asset, if applicable, is only recognised if recoverable by Save the Children UK.

The charity contributes to a defined benefit scheme, which was closed to new entrants on 14 June 2002.

For defined contribution schemes, the amount charged to the statement of financial activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers). The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

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1. ACCOUNTING POLICIES (CONTINUED)

The charity contributes to a defined contribution pension plan operated by Legal & General. The assets of the scheme are held separately from those of the charity. The contribution payments are charged to the SOFA.

(K) FINANCE AND OPERATING LEASES

Instalments on operating lease contracts are charged to the SOFA on a straight-line basis over the life of the lease. The group does not have assets under finance leases.

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date into the account's presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Our policy is to minimise holdings of currencies that are not required for operational needs so that we are not exposed to movements in currencies. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable.

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2023: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2023: Nil).

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

(O) FINANCIAL INSTRUMENTS

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.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group 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.

(P) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

Revenue recognition

Due to the range and complexity of the group's funding streams, revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in accounting policy 1d. The recognition and valuation of legacy income also requires significant judgement – see note 1d for further details.

Pension valuation

Estimates of the net pension valuation depend on a number of complex judgements relating to the discount rate used, changes in retirement ages, mortality rates, and the calculation of pension increases. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension valuation of changes in these assumptions. The group has also engaged independent legal and financial advisors regarding the potential financial impact of various historical changes made to the pension scheme and the likelihood of a court ruling that the various changes were invalid.

Any surplus on the pension valuation will only be recognised if it is possible to demonstrate that the surplus is recoverable either through reduced contributions in the future or through refunds from the pension scheme.

Provisions

Provisions such as dilapidations, onerous leases and bad debt involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.

Cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. The bases used are outlined in note 7e.

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2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
(a) Donations and gifts				
Individuals – regular giving	31,181	273	**31,454**	32,334
Individuals – one-off donations, appeals and events	10,461	2,831	**13,292**	14,580
Trusts and major donors	7,847	2,681	**10,528**	11,380
Corporate fundraising	1,730	2,580	**4,310**	4,680
Institutional donors	–	676	**676**	4,409
	51,219	9,041	**60,260**	67,383
(b) Gifts in kind by type				
Gifts in kind for distribution	–	3,131	**3,131**	4,696
Headquarters professional services	–	1,742	**1,742**	1,850
Fundraising	–	–	**–**	105
	–	4,873	**4,873**	6,651
(c) Legacies				
Legacies[1]	26,933	24	**26,957**	18,628
Total donations and legacies	78,152	13,938	**92,090**	92,662

[1] The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, either because probate has not yet been obtained, or on grounds of insufficient probability, was £2.7 million (2023: £2.7 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2024 restricted £000	Year to 31/12/2023 restricted[1] £000
Performance-related grants		
UK central government	**60,553**	46,647
Irish government	**5,884**	4,525
Other national governments	**13,684**	6,949
UK local and regional government	**1,703**	1,148
European Commission (including European Community Humanitarian Aid Office)	**338**	4,772
Disasters Emergency Committee	**24,655**	28,542
Education Cannot Wait	**5,330**	8,267
United Nations	**20,333**	24,691
World Bank	**11,182**	10,791
Global Partnership for Education Fund	**21,173**	21,856
Gavi	**4,819**	4,272
Total government and multilateral organisations	**169,654**	162,460
Gates Foundation	**3,385**	2,482
Corporate partners	**9,704**	11,565
Trusts and foundations	**5,970**	6,878
Other	**9,847**	5,751
Total income from charitable activities	**198,560**	189,136

Income from charitable activities relates to income from performance-related grants that are used to further our charitable objectives across our thematic areas.

[1] The 2023 comparatives have been recategorised to ensure consistency, however, there is no impact on the overall totals.

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4. OTHER TRADING ACTIVITIES

	Charity £000	Save the Children (Sales) Ltd £000	**Total year to 31/12/2024 £000**	Total year to 31/12/2023 £000
Trading income and costs				
Income from donated goods	8,602	–	**8,602**	8,336
Income from purchased goods	–	684	**684**	803
Total retail income	8,602	684	**9,286**	9,139
Other trading income	–	422	**422**	429
Total trading income	8,602	1,106	**9,708**	9,568
Cost of sales	–	(310)	**(310)**	(355)
Direct retail costs	(8,394)	(274)	**(8,668)**	(7,865)
Other costs	–	(252)	**(252)**	(293)
Support cost allocation	(941)	(31)	**(972)**	(778)
Total expenses	(9,335)	(867)	**(10,202)**	(9,291)
(Deficit)/Surplus	(733)	239	**(494)**	277

Additional net income was raised in relation to shops which is disclosed elsewhere and includes £443,000 (2023: £456,000) of donations raised in shops, and £172,000 (2023: £26,000) of property income, totalling £615,000 (2023: £482,000).

We have made presentational changes to this note in 2024 and as a result have reclassified £429,000 of income that in 2023 was included in Note 2 and Note 6. There is no impact on the overall total income number for 2023.

5. INVESTMENT INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Dividends on investments listed on a recognised stock exchange	527	6	**533**	517
Interest on bank deposits and other investments	987	44	**1,031**	952
	1,514	50	**1,564**	1,469

6. OTHER INCOME

	Unrestricted funds £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Rental income	2,323	**2,323**	2,598
Gain on disposal of fixed assets	146	**146**	–
Other income	443	**443**	582
	2,912	**2,912**	3,180

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7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly: Staff costs (note 8) £000	Activities undertaken directly: Other direct costs £000	Activities undertaken directly: Gifts in kind £000	Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Expenditure on raising donations and legacies (note 7d)	113	11,197	14,519	–	4,313	–	**30,142**	26,914
Expenditure on other trading activities	–	3,459	5,499	20	972	–	**9,950**	8,998
Investment management costs	–	–	106	–	8	–	**114**	394
	113	14,656	20,124	20	5,293	–	**40,206**	36,306
Charitable activities								
Nutrition	13,737	277	380	2,238	1,372	1,450	**19,454**	19,333
Livelihoods	13,597	506	536	17	1,232	1,280	**17,168**	27,507
Health	29,138	543	731	322	2,537	2,679	**35,950**	37,434
Protection and rights	14,006	254	254	322	1,225	1,296	**17,357**	12,853
Education	51,194	2,484	1,473	119	4,696	4,826	**64,792**	67,338
Rapid onset emergencies	59,046	9,670	14,040	80	6,286	6,159	**95,281**	79,338
	180,718	13,734	17,414	3,098	17,348	17,690	**250,002**	243,803
Advocacy and awareness (note 7c)	779	6,899	4,000	–	2,404	1,020	**15,102**	12,488
Total charitable activities	181,497	20,633	21,414	3,098	19,752	18,710	**265,104**	256,291
Support costs	704	19,908	21,635	1,742	(25,279)	(18,710)	**–**	–
Other expenditure[1]	–	–	3,267	–	234	–	**3,501**	2,828
Total expenditure	182,314	55,197	66,440	4,860	–	–	**308,811**	295,425
Prior year	181,307	51,122	56,727	6,269	–	–	**295,425**	

[1] Costs relating to the sub-let of certain floors of the headquarters building at St John's Lane have been identified as a separate activity of the group.

(b) Grant funding of activities

During the year ended 31 December 2024, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at grant list.

(c) Save the Children's advocacy and awareness activities

These have several objectives, including:

- Informing the public about the reality of children's lives in the UK and around the world to build support for more efforts to improve children's lives, drawing on experiences from our work in many countries including the UK;
- Influencing key decision-makers on key social and economic policies to advance children's rights and our charitable mission, drawing evidence for our advocacy and campaigning work directly from the children and families we work with;
- Listening to children and young people and supporting them to take action to create positive change on the issues that matter to them;

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change by building up a strong, diverse and growing community of people from all parts of the UK, and inspiring them to take action together to make life better for children.

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7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies

	Year to 31/12/2024 £000	Year to 31/12/2023 £000
Mass fundraising (including legacies)	**25,673**	22,487
Trusts and major donors	**1,964**	2,064
Corporate fundraising	**2,505**	2,363
	30,142	26,914

(e) The support costs and the basis of their allocation were as follows:

Support costs include the cost of providing key organisational support in the areas of general and financial management, human resources and information technology. In addition, this includes costs incurred directly to design and monitor our programmes, and the costs incurred by Save the Children International to deliver our international portfolio.

Management and administration costs	Basis of apportionment	Year to 31/12/2024 £000	Year to 31/12/2023 £000
General management	Pro-rata by expenditure	**4,872**	2,474
Governance	Pro-rata by expenditure	**957**	1,211
Human resources	Pro-rata by salary costs	**2,747**	2,555
Financial management	Pro-rata by expenditure	**3,404**	3,680
Premises and facilities	Pro-rata by building usage	**4,448**	4,220
Technology	Pro-rata by expenditure	**6,371**	5,194
Gifts in kind (pro-bono professional and legal services)	Pro-rata by expenditure	**1,742**	1,850
Losses/(gains) on foreign exchange	Pro-rata by expenditure	**737**	(88)
Defined benefit pension scheme costs[1]	Pro-rata by expenditure	**1**	94
		25,279	21,190
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	**3,317**	3,094
Programme support	Pro-rata by charitable expenditure	**8,844**	8,503
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	**3,590**	3,986
		15,751	15,583
Additional contributions			
SCI strategic investment funding[2]	Pro-rata by charitable expenditure	**2,959**	3,849
		2,959	3,849
Total programme support		**18,710**	19,432
Total support costs		**43,989**	40,622
Financed by unrestricted funds		**29,786**	28,583
Charged to restricted awards		**2,878**	2,523
Indirect cost recovery[3]		**11,325**	9,516
		43,989	40,622

[1] This is the net interest cost on the pension schemes, see note 25 for more details.

[2] SCI strategic investment funding includes contributions for transformational change projects being delivered across SCI and SCA as part of their High Performing Organisation programme to improve systems and processes.

[3] Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

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7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

Group auditor's remuneration	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Audit of charity	**236**	215
Audit of subsidiaries	**66**	58
Total audit	**302**	273
Audit-related assurance services	**5**	8
Total assurance services	**5**	8
Total fees	**307**	281

Lease rentals: land and buildings	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Retail	**2,023**	2,072
Programme offices	**220**	191
Headquarters	**5,249**	4,925
	7,492	7,188

Ex-gratia payments
In 2024, one ex-gratia payment was made to the relatives of a testator who had willed part of their estate to Save the Children UK (2023: two). Save the Children UK waived its right to a share in assets valued at £660. As this fell within our de minimis range, it was approved by the Senior Legacy Income Manager, who deemed it a moral obligation for the charity to forgo its entitlement. This decision was based on clear indications that the testator intended the assets pass to their relative.

8. STAFF COSTS

(a) Staff costs

	Year to 31/12/2024 £000	Year to 31/12/2023 £000
Wages and salaries	**45,695**	41,822
National Insurance	**4,883**	4,691
Pension costs defined contribution scheme	**2,116**	1,912
Pension costs defined benefit scheme	**371**	507
Other staff costs	**2,132**	2,190
	55,197	51,122

Staff costs are shown inclusive of all amounts directly funded by donors through programme awards.

Included within staff costs is £571,139 (2023: £456,085) of termination costs.

(b) The average number of employees calculated on a full-time equivalent basis, analysed by function, was:

	Average headcount		Average FTE headcount	
	Year to 31/12/2024 number	Year to 31/12/2023 number	**Year to 31/12/2024 number**	Year to 31/12/2023 number
Charitable activities	**611**	606	**593**	586
Raising funds	**299**	279	**295**	274
	910	885	**888**	860

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8. STAFF COSTS (CONTINUED)

(c) At 31 December 2024, the number of staff was as follows:

	Headcount[1] number	Headcount equivalent[2] number
UK HQ	710	693
UK non-HQ	190	184
International	13	12
	913	889

[1] Headcount is defined as the number of roles filled by employees.
[2] Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

(d) The following number of employees (including those on short-term contracts) earned emoluments within the bands shown below.

Emoluments include salaries, fees, amounts in lieu of notice, compensation or redundancy payments, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax) and the estimated money value of any other benefits received otherwise than in cash, and exclude employer pension costs.

	Year to 31/12/2024 number	Year to 31/12/2023 number
£60,001–£70,000	**84**	56
£70,001–£80,000	**18**	17
£80,001–£90,000	**11**	8
£90,001–£100,000	**9**	7
£100,001–£110,000	**4**	–
£110,001–£120,000	**1**	3
£120,001–£130,000	**1**	2
£130,001–£140,000	**1**	–
£140,001–£150,000	**2**	1
£150,001–£160,000	**–**	1
£250,001–£260,000[1]	**1**	–
	132	95

[1] Salary costs include a contractual redundancy payment for a long-standing member of staff leaving Save the Children.

(e) 2024 Executive Director remuneration

The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2024 was £868,261 (2023: £897,753). A detailed breakdown by executive director is included on page 58 of this report.

9. TRUSTEES' REMUNERATION

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services.

Out-of-pocket expenses were reimbursed to trustees or paid directly on their behalf as follows:

	Year to 31/12/2024 number of trustees	Year to 31/12/2023 number of trustees	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Expenses including travel and subsistence	**4**	3	**1**	4

Trustees received no remuneration or direct expenses for volunteering their time.

Save the Children has purchased indemnity insurance at a cost of £27,422 (2023: £29,316) that provides cover:
(i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
(ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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10. RELATED PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

As well as donating their time and expertise during 2024, the trustees made unconditional donations of £67,311 (2023: £208,885) to the charity.

Save the Children UK contributes to a defined benefit funded pension scheme administered by The Pensions Trust. For details of transactions with The Pensions Trust in the year, please see note 25.

Anne Fahy was a member of the Save the Children UK board and the board of Save the Children International until her retirement in October 2024. Dr Tsitsi Chawatama-Kwambana returned to her role as Chair of Save the Children in August 2024 following a period of maternity leave, and rejoined the Save the Children International board on 16 October 2024. Richard Winter CBE is a member of the Save the Children UK board and is also on the board of Save the Children International.

Transactions with Save the Children International in the year are detailed below:

Income and expenditure items	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Funds transferred for programme delivery	**131,964**	133,311
Country operating costs	**2,502**	2,005
Central and regional operating costs	**3,590**	3,986
Core contributions	**3,317**	3,114
Strategic investment funding	**2,959**	3,849
Quality Impact Fund	**1,167**	1,214
Reimbursements	**21**	–
	145,520	147,479

Balance sheet items	**As at 31/12/2024 £000**	As at 31/12/2023 £000
Prepayment for programme activity	**9,075**	19,243
Cost of services incurred by SCI to be settled in the future	**(1,190)**	(353)
Programme-related investment	**955**	955

11. INTANGIBLE FIXED ASSETS

Group and charity	**Computer software £000**
Cost at 1 January 2024	**6,678**
Cost at 31 December 2024	**6,678**
Accumulated amortisation at 1 January 2024	**6,563**
Charge for the year	**48**
Accumulated amortisation at 31 December 2024	**6,611**
Net book value at 31 December 2024	**67**
Net book value at 31 December 2023	115

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12. TANGIBLE FIXED ASSETS

(a) Group and charity	Freehold property £000	Leasehold property improvements £000	Assets under construction £000	**Total £000**
Cost at 1 January 2024	1,372	6,548	–	**7,920**
Additions	–	385	26	**411**
Disposals	(32)	(16)	–	**(48)**
Cost at 31 December 2024	1,340	6,917	26	**8,283**
Accumulated depreciation at 1 January 2024	722	5,645	–	**6,367**
Charge for the year	51	297	–	**348**
Disposals	(22)	(16)	–	**(38)**
Accumulated depreciation at 31 December 2024	751	5,926	–	**6,677**
Net book value at 31 December 2024	**589**	**991**	**26**	**1,606**
Net book value at 31 December 2023	650	903	–	1,553

Assets under construction relate to leasehold shop improvements that are not yet complete. Expenditure on these assets is capitalised as incurred but no depreciation is charged until the asset is available for use, at which point a rate appropriate to the useful economic life of the asset will be applied.

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2023: £nil).

13. INVESTMENTS

	Notes	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Fixed asset investments	13a	**40,932**	45,018	**40,932**	45,018
Investment in SCI		**955**	955	**955**	955
Investment in subsidiary	13b	**–**	–	**275**	275
Total investments		**41,887**	45,973	**42,162**	46,248

(a) Fixed asset investments	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Market value at start of year	**45,018**	42,133	**45,018**	42,133
Acquisitions	**4,193**	2,291	**4,193**	2,291
Sales proceeds	**(10,817)**	(2,385)	**(10,817)**	(2,385)
Net movement in cash balances	**(349)**	94	**(349)**	94
Net realised investment gains	**1,557**	566	**1,557**	566
Net unrealised investment gain	**1,330**	2,319	**1,330**	2,319
Market value at end of year	**40,932**	45,018	**40,932**	45,018

The market value is represented by:	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Equities and commodities	**20,323**	18,985	**20,323**	18,985
Bonds	**4,601**	3,841	**4,601**	3,841
Cash and cash equivalents	**16,008**	22,192	**16,008**	22,192
	40,932	45,018	**40,932**	45,018

Save the Children UK's investment managers have discretion to manage the investment portfolio within an agreed risk profile and in accordance with our ethical policy. The mix of investments and the balance of risk and liquidity is reviewed in the light of Save the Children UK's long-term financial plans.

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13. INVESTMENTS (CONTINUED)

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14. During 2023, the charity made a further £360,000 investment in Humanitarian Leadership Academy (Enterprises) Limited in the form of a loan. This investment was fully provided for in 2023 due to the financial loss made in Humanitarian Leadership Academy (Enterprises) Limited in the year.

14. GROUP MEMBERS

Wholly-owned subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin) (dissolved)[1]	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)[2]	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)[3]	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec
Associate undertakings				
William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
Lead consortium member				
Start Network	9286835	UK	Humanitarian response charity	N/A

For entities with non-coterminous year ends, results for the 12-month period to 31 December 2024 have been consolidated.

The registered address of each group member is 1 St John's Lane, London, EC1M 4AR.

[1] Merlin joined forces with Save the Children Fund in July 2013. All charitable operations were transitioned to Save the Children Fund, or closed down, by April 2016. Merlin made a charitable grant under which legacy and other income received by Merlin was paid to Save the Children Fund to fund emergency health work. On 21 March 2024, the Trustees signed a deed of transfer, under which the remaining net assets of Merlin have been transferred to Save the Children Fund. The merger of Merlin into Save the Children Fund was officially recorded at the Charity Commission on 23 September 2024, at which point Merlin was dissolved and ceased to exist as a separate entity.

[2] On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of Humanitarian Leadership Academy. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for Humanitarian Leadership Academy under s479A of the Act relating to subsidiary companies. Humanitarian Leadership Academy is no longer active and has no financial results in the current or prior year to include in Note 14a below.

[3] During 2023 Save the Children Fund granted £360,000 to Humanitarian Leadership Academy (Enterprises) Limited in the form of an interest-free loan with a repayment date of 31 December 2026. The purpose of the loan was to fund costs associated with the inaugural Humanitarian xChange event in February 2024.

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14. GROUP MEMBERS (CONTINUED)

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		Merlin		HLA Enterprises Ltd		Elrha	
	Year to 31/12/2024 £000	Year to 31/12/2023 £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Income	**1,106**	1,233	**14**	112	**416**	512	**12,671**	12,718
Expenditure	**(868)**	(1,030)	**(1,244)**	(39)	**(921)**	(1,106)	**(12,644)**	(12,496)
Net income/(expenditure)	**238**	203	**(1,230)**	73	**(505)**	(594)	**27**	222
Donation to parent charity	**(238)**	(203)	**–**	–	**–**	–	**–**	–
Net movement in funds	**–**	–	**(1,230)**	73	**(505)**	(594)	**27**	222

	As at 31/12/2024 £000	As at 31/12/2023 £000	**As at 31/12/2024 £000**	As at 31/12/2023 £000	**As at 31/12/2024 £000**	As at 31/12/2023 £000	**As at 31/12/2024 £000**	As at 31/12/2023 £000
Assets	**340**	289	**–**	1,244	**285**	176	**2,862**	2,383
Liabilities	**(90)**	(39)	**–**	(14)	**(1,359)**	(745)	**(2,141)**	(1,690)
Net assets	**250**	250	**–**	1,230	**(1,074)**	(569)	**721**	693

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2023: £25,000) as grant funding and £1,000 (2023: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	**Group Year to 31/12/2024 £000**	Group Year to 31/12/2023 £000
At 1 January	**635**	596
Share of retained profit/(loss) for the year	**12**	39
At 31 December	**647**	635

(c) Start Network

Save the Children UK is acting as the grant custodian for Start Network awards, and in that capacity is legally responsible to donors for the charitable application of funds. The income, spend and fund balances for these awards are included within the Start Network restricted fund in note 22.

15. STOCKS

	Group 31/12/2024 £000	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Gift in kind stock for distribution	**710**	692	**710**	692
Emergency	**11**	11	**11**	11
Goods for resale	**102**	91	**–**	–
Head office	**1**	14	**1**	14
	824	808	**722**	717

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16. DEBTORS

(a) Grant debtors	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
UK and other national governments	**5,510**	2,465	**4,774**	2,031
European Commission (including European Community Humanitarian Aid Office)	**1,423**	3,328	**1,423**	3,328
Education Cannot Wait	**267**	199	**267**	199
United Nations	**3,561**	5,085	**3,561**	5,085
Corporate partners	**803**	933	**803**	933
Other	**4,508**	7,061	**4,497**	7,023
Total grant debtors	**16,072**	19,071	**15,325**	18,599

Grant debtors above include amounts both billed and unbilled.

(b) Other debtors	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Trade debtors	**676**	348	**594**	180
Legacy debtors	**21,815**	18,679	**21,815**	18,481
Taxes recoverable	**414**	963	**414**	963
Prepayments and accrued income	**13,119**	11,721	**12,962**	11,680
Save the Children International	**7,911**	18,907	**7,911**	18,907
Other debtors	**156**	550	**148**	541
	44,091	51,168	**43,844**	50,752

All debtors are falling due within one year.

Debtor balance with Save the Children International represents prepaid funding for future programmatic activity.

17. CREDITORS

(a) Amounts falling due within one year	**Group 31/12/2024 £000**	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Trade creditors	**2,848**	3,446	**2,305**	2,948
Taxes and social security	**1,248**	1,188	**1,199**	1,137
Amount owed to subsidiary undertakings	**–**	–	**901**	2,852
Accruals	**4,078**	4,153	**3,602**	3,668
Deferred income[1]	**63,174**	50,196	**62,043**	49,215
Operating lease incentives[2]	**179**	179	**179**	179
Grant obligations	**475**	1,321	**350**	1,321
Other creditors	**113**	162	**113**	162
	72,115	60,645	**70,692**	61,482
(b) Amounts falling due in more than one year				
Operating lease incentives[2]	**490**	669	**490**	669
Long-term loan	**446**	446	**446**	446
	936	1,115	**936**	1,115

[1] The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £55,233,000 arose in the year and £42,254,000 brought forward from 2023 was released.

[2] The operating lease incentives represent the value of payments, and discounts in the form of rent-free periods, received by Save the Children UK when entering into the 25-year lease on the headquarters building. It is being released over the term of the lease.

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18. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charity	At 01/01/2024 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2024 £000**
Dilapidations	2,059	(352)	(34)	**1,673**
Grants	838	(142)	(72)	**624**
Other	188	2,548	(38)	**2,698**
	3,085	2,054	(144)	**4,995**

Dilapidations represent the estimated costs of payments required to make good leased property upon the termination of the lease. The provision amount relating to individual property is released on termination of the lease.

Grant provisions represent estimated funds returnable to donors where Save the Children UK has not been able to spend funds received in accordance with donor wishes and grants which require an element of co-financing where Save the Children UK may be required to fund the additional financing.

Other provisions represent estimates of tax liabilities, onerous lease obligations and other provisions required to be recognised that do not fit into the categories above.

19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity

The total future minimum lease payments under non-cancellable operating leases

Total payments due	**Total 31/12/2024 property £000**	Total 31/12/2023 property £000
Within one year	**6,981**	6,763
Between two and five years	**16,673**	21,475
After five years	**1**	2
	23,655	28,240

The lease commitment for the head office building is included above.

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20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

(a) The table below shows the charity's and group's commitment in delivering projects on behalf of donors, which will be completed over a number of years as detailed below.

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 17. For those not yet received, there are legal agreements with donors to ensure that Save the Children UK will be reimbursed for completion of those projects.

	Group 31/12/2024 £000	Group 31/12/2023 £000	**Charity 31/12/2024 £000**	Charity 31/12/2023 £000
Within one year	**151,767**	189,460	**140,239**	175,422
Between two and five years	**80,457**	105,491	**79,231**	101,807
After five years	**390**	853	**390**	853
	232,614	295,804	**219,860**	278,082

(b) Save the Children UK has entered into a number of grants, where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year end there were still several grants in progress for which no donor had been found, these amounted to £0.1 million (2023: £0.8 million). No provision (2023: £0 million) has been recognised as at 31 December 2024 in respect of grants where Save the Children does not expect to be able to find donors for these over the remaining life of the projects.

(c) The delivery of the charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI relies primarily on resources provided by and channelled through the member organisations.

Save the Children UK has future commitments in respect of Save the Children International:

i) The International Programming (IP) contracts provide for those members of the Save the Children Association for whom SCI delivers international programmes to provide a share of an indemnity capped at US$20 million in the event that the members choose to cease SCI's programming activity. At 31 December 2024, Save the Children UK's share of this was approximately US$2.9 million (2023: US$2.7 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

ii) The Save the Children members have also provided SCI with a standby letter of credit to the value of US$6.2 million, of which Save the Children UK's share is US$3.1 million. This facility is provided in the event of SCI requiring reserves. SCI holds reserves to meet the following purposes:
- the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
- the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
- the costs of closure or wind-down of the core operations of the charity.

The standby letter of credit is provided by Standard Chartered. As at 31 December 2024 no amounts had been drawn down on this facility.

(d) Save the Children UK has received from Standard Chartered a guarantee of US$1,034,022 relating to the performance of a grant in Somalia. This will expire on 28 June 2025.

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21. STATEMENT OF FUNDS

(a) Group	At 01/01/2024 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2024 £000**
Unrestricted funds						
General reserve	46,321	92,138	(90,619)	1,434	195	**49,469**
Revaluation reserve	5,269	–	–	1,032	–	**6,301**
Designated funds:						
Fixed asset reserve	1,420	–	(344)	–	401	**1,477**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	635	–	–	12	–	**647**
Merlin	1,073	15	(123)	–	(965)	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	55,964	92,153	(91,086)	2,478	(369)	**59,140**
Pension reserve (note 25)	(134)	–	(272)	(1,864)	327	**(1,943)**
Total unrestricted funds	55,830	92,153	(91,358)	614	(42)	**57,197**
All restricted and endowed funds						
Restricted income funds (note 22)	12,491	212,675	(217,453)	–	42	**7,755**
Endowment funds	5,259	6	–	421	–	**5,686**
Total restricted funds	17,750	212,681	(217,453)	421	42	**13,441**
Total funds	73,580	304,834	(308,811)	1,035	–	**70,638**

(b) Charity	At 01/01/2024 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2024 £000**
Unrestricted funds						
General reserve	46,554	90,853	(88,828)	1,433	196	**50,208**
Revaluation reserve	5,269	–	–	1,032	–	**6,301**
Designated funds:						
Fixed asset reserve	1,420	–	(344)	–	401	**1,477**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	54,489	90,853	(89,172)	2,465	597	**59,232**
Pension reserve (note 25)	(134)	–	(272)	(1,864)	327	**(1,943)**
Total unrestricted funds	54,355	90,853	(89,444)	601	924	**57,289**
All restricted and endowed funds						
Restricted income funds (note 22)	11,643	202,407	(206,092)	–	(924)	**7,034**
Endowment funds	5,259	6	–	421	–	**5,686**
Total restricted funds	16,902	202,413	(206,092)	421	(924)	**12,720**
Total funds	71,257	293,266	(295,536)	1,022	–	**70,009**

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21. STATEMENT OF FUNDS (CONTINUED)

The **general reserve** represents the free funds of the charity that are not designated for particular purposes.

The **revaluation reserve** represents the difference between the historic cost of fixed asset investments and their revalued amount.

The **fixed asset reserve** represents the net book value of tangible and intangible assets originally funded from general reserves. The transfer into the fund represents capital additions less disposal proceeds and depreciation. An adjustment is made for operating lease incentives in relation to fixed assets purchased by the landlord for our headquarters.

The **programme-related investment** represents the value of Save the Children UK's investment in SCI.

The **associates** reserve represents the value of Save the Children UK's investment in the William Belmer Rush Foundation (see note 14 for details).

The **Merlin** reserve represents the value of funds that have been designated to spend in line with the objects of Merlin.

The **St John's Lane reserve fund** represents funds set aside for potential future refurbishment of the headquarters building and the eventual replacement of large capital items. Save the Children UK is responsible for this expenditure on headquarters under its lease with Standard Life that runs until 2028. In addition, Save the Children UK has responsibilities towards its sub-tenants who occupy part of the headquarters building.

The **pension reserve** represents the reported liability on the defined benefit pension scheme under FRS 102 (see note 25 for details). Transfers to the pension reserve represent payments into the scheme during the year for both the defined benefit plan and the growth plan.

The **restricted income funds** represent unexpended balances on donations and grants given for specific purposes (see note 22 for details).

The **endowment funds** represent assets received that may not be exhausted (see note 23 for details).

Prior-year comparatives:

(c) Group	At 01/01/2023 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2023 £000**
Unrestricted funds						
General reserve	42,547	80,659	(77,591)	498	208	**46,321**
Revaluation reserve	3,296	–	–	1,973	–	**5,269**
Designated funds:						
Fixed asset reserve	1,537	–	(437)	–	320	**1,420**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	596	–	–	39	–	**635**
Merlin	1,000	108	(35)	–	–	**1,073**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	50,223	80,767	(78,064)	2,510	528	**55,964**
Pension reserve (note 25)	(64)	–	(701)	391	240	**(134)**
Total unrestricted funds	50,159	80,767	(78,765)	2,901	768	**55,830**
All restricted and endowed funds						
Restricted income funds (note 22)	14,671	215,248	(216,660)	–	(768)	**12,491**
Endowment funds	4,845	–	–	414	–	**5,259**
Total restricted funds	19,516	215,248	(216,660)	414	(768)	**17,750**
Total funds	69,675	296,015	(295,425)	3,315	–	**73,580**

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21. STATEMENT OF FUNDS (CONTINUED)

(d) Charity	At 01/01/2023 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2023 £000**
Unrestricted funds						
General reserve	42,546	79,116	(75,455)	139	208	**46,554**
Revaluation reserve	3,296	–	–	1,973	–	**5,269**
Designated funds:						
Fixed asset reserve	1,537	–	(437)	–	320	**1,420**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	48,625	79,116	(75,892)	2,112	528	**54,489**
Pension reserve (note 25)	(64)	–	(701)	391	240	**(134)**
Total unrestricted funds	48,561	79,116	(76,593)	2,503	768	**54,355**
All restricted and endowed funds						
Restricted income funds (note 22)	14,044	203,702	(205,335)	–	(768)	**11,643**
Endowment funds	4,845	–	–	414	–	**5,259**
Total restricted funds	18,889	203,702	(205,335)	414	(768)	**16,902**
Total funds	67,450	282,818	(281,928)	2,917	–	**71,257**

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22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2024 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2024 £000**
Regions					
East and Southern Africa	1,771	45,250	(46,868)	210	**363**
West and Central Africa	(1,753)	20,100	(19,842)	507	**(988)**
Asia	94	19,435	(19,309)	(77)	**143**
Middle East, North Africa and Eastern Europe	850	27,289	(28,089)	(70)	**(20)**
Europe (northern, western and southern)	503	4,107	(3,377)	(703)	**530**
United Kingdom	1,618	3,089	(4,120)	–	**587**
Multi-country	1,530	9,349	(10,155)	1,072	**1,796**
Emergency Appeals					
Ukraine	1,730	12,314	(12,626)	(110)	**1,308**
Pakistan	5	2,144	(2,144)	(5)	**–**
Gaza	2,215	1,775	(341)	(2,791)	**858**
Yemen	732	5	(177)	(32)	**528**
Türkiye Syria Earthquake	356	8,273	(8,308)	–	**321**
Middle East	–	489	(489)	–	**–**
The Emergency Fund[2]	2,341	4,038	(442)	(4,293)	**1,644**
SCI Humanitarian Fund	–	–	(7,425)	7,426	**1**
Other appeals	138	101	(43)	(195)	**1**
Other Funds					
Start Network	(332)	42,402	(41,210)	(897)	**(37)**
Elrha	693	12,515	(12,488)	–	**720**
	12,491	212,675	(217,453)	42	**7,755**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund are funds not yet allocated to particular country programmes.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2024 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2024 £000**
Regions					
East and Southern Africa	1,771	45,250	(46,868)	210	**363**
West and Central Africa	(1,760)	20,100	(19,842)	514	**(988)**
Asia	17	19,435	(19,309)	–	**143**
Middle East, North Africa and Eastern Europe	834	27,289	(28,089)	(54)	**(20)**
Europe (northern, western and southern)	503	4,107	(3,377)	(703)	**530**
United Kingdom	1,618	3,089	(4,120)	–	**587**
Multi-country	1,476	10,470	(10,156)	6	**1,796**
Emergency Appeals					
Ukraine	1,730	12,314	(12,626)	(110)	**1,308**
Pakistan	5	2,144	(2,144)	(5)	**–**
Gaza	2,215	1,775	(341)	(2,791)	**858**
Yemen	732	5	(177)	(32)	**528**
Türkiye Syria Earthquake	355	8,273	(8,308)	–	**320**
Middle East	–	489	(489)	–	**–**
The Emergency Fund[2]	2,341	4,038	(442)	(4,293)	**1,644**
SCI Humanitarian Fund	–	–	(7,425)	7,426	**1**
Other appeals	138	101	(43)	(195)	**1**
Other Funds					
Start Network	(332)	42,402	(41,210)	(897)	**(37)**
Elrha	–	1,126	(1,126)	–	**–**
	11,643	202,407	(206,092)	(924)	**7,034**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund are funds not yet allocated to particular country programmes.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2024 £000	Income £000	Other gains/losses £000	**At 31/12/2024 £000**
The Oliver Children's fund	5,259	6	421	**5,686**
	5,259	6	421	**5,686**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2024 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2024 £000**
Tangible and intangible fixed assets	196	–	1,477	–	–	–	**1,673**
Fixed asset investments	28,945	6,301	1,602	–	–	5,686	**42,534**
Current assets	35,041	–	291	–	71,088	–	**106,420**
Current liabilities	(8,782)	–	–	–	(63,333)	–	**(72,115)**
Non-current liabilities	(936)	–	–	–	–	–	**(936)**
Provisions for liabilities and charges	(4,995)	–	–	–	–	–	**(4,995)**
Pension liability	–	–	–	(1,943)	–	–	**(1,943)**
	49,469	6,301	3,370	(1,943)	7,755	5,686	**70,638**

(b) Charity

Fund balances at 31 December 2024 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2024 £000**
Tangible and intangible fixed assets	196	–	1,477	–	–	–	**1,673**
Fixed asset investments	29,220	6,301	955	–	–	5,686	**42,162**
Current assets	35,338	–	291	–	69,111	–	**104,740**
Current liabilities	(8,615)	–	–	–	(62,077)	–	**(70,692)**
Non-current liabilities	(936)	–	–	–	–	–	**(936)**
Provisions for liabilities and charges	(4,995)	–	–	–	–	–	**(4,995)**
Pension liability	–	–	–	(1,943)	–	–	**(1,943)**
	50,208	6,301	2,723	(1,943)	7,034	5,686	**70,009**

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24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior period comparatives:

(c) Group

Fund balances at 31 December 2023 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2023 £000**
Tangible and intangible fixed assets	248	–	1,420	–	–	–	**1,668**
Fixed asset investments	34,490	5,269	1,590	–	–	5,259	**46,608**
Current assets	24,809	–	1,364	–	64,010	–	**90,183**
Current liabilities	(9,026)	–	–	(100)	(51,519)	–	**(60,645)**
Non-current liabilities	(1,115)	–	–	–	–	–	**(1,115)**
Provisions for liabilities and charges	(3,085)	–	–	–	–	–	**(3,085)**
Pension liability	–	–	–	(34)	–	–	**(34)**
	46,321	5,269	4,374	(134)	12,491	5,259	**73,580**

(d) Charity

Fund balances at 31 December 2023 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2023 £000**
Tangible and intangible fixed assets	248	–	1,420	–	–	–	**1,668**
Fixed asset investments	34,765	5,269	955	–	–	5,259	**46,248**
Current assets	26,585	–	291	–	62,181	–	**89,057**
Current liabilities	(10,844)	–	–	(100)	(50,538)	–	**(61,482)**
Non-current liabilities	(1,115)	–	–	–	–	–	**(1,115)**
Provisions for liabilities and charges	(3,085)	–	–	–	–	–	**(3,085)**
Pension liability	–	–	–	(34)	–	–	**(34)**
	46,554	5,269	2,666	(134)	11,643	5,259	**71,257**

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25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(i) Defined benefit triennial valuation (notes 25b–c)

(ii) Accounting valuation under FRS 102 (defined benefit scheme) (notes 25d–h)

(iii) Defined contribution scheme (note 25i)

(iv) The Pensions Trust Growth Plan (multi-employer scheme) (note 25j)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust Growth Plan £000	**Year to 31/12/2024 £000**	Defined benefit scheme £000	Pension Trust Growth Plan £000	Year to 31/12/2023 £000
Net pension liability at start of period	–	34	**34**	–	64	64
Expenses	371	–	**371**	507	–	507
Net interest expense	(125)	1	**(124)**	(273)	2	(271)
Contributions by employer	(295)	(32)	**(327)**	(208)	(32)	(240)
Net actuarial losses in the year	4,600	66	**4,666**	2,818	–	2,818
Losses due to benefit changes	–	–	**–**	92	–	92
Unrecognised surplus/effect of asset ceiling	(2,677)	–	**(2,677)**	(2,936)	–	(2,936)
Net pension liability at 31 December	1,874	69	**1,943**	–	34	34

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2023 by a professionally qualified actuary and was completed and signed within the accounting period on 19 December 2024. This reported the scheme assets as £131.4m and the scheme liabilities as £133.9m. This corresponds to a scheme deficit of £2.5m and a funding level of 98%. A scheme funding update in September 2024 showed a deficit of £4.7 million. It was therefore agreed with TPT that we would resume making deficit contributions totalling £3 million (including expenses) payable from April 2025 until March 2027. The triennial valuation also reported that there were 0 active members, 800 deferred members and 919 pensioner members, a total of 1,719 members.

(c) Triennial valuation: assumptions

The triennial actuarial valuation carried out at 30 September 2023 used the following principal assumptions:

Average rate of return on investments pre-retirement	Initial rate of gilt yield curve plus 1.31% p.a. at the valuation date tapering linearly to gilt yield curve plus 0.5% p.a. over a transition period of 8 years for past service liabilities.
Retail Price Index assumption	Gilt inflation curve
Consumer Price Index assumption	RPI less 1.0% p.a. at each term until 2030 and RPI thereafter.

Mortality 101% after retirement of S3PMA (males) and S3PFA (females). CMI_2023 with long-term improvement rates of 1.5% p.a. for males and 1.25% p.a. for females.

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25. PENSION COSTS (CONTINUED)

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2024

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance sheet date. In the 2023 triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2023 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

(i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer;

(ii) the scheme holds quoted securities and these have been valued at bid-price.

Reconciliation of opening and closing balances of the scheme assets and liabilities	Fair value of scheme assets £000	Present value of scheme liabilities £000	**Scheme assets less scheme liabilities £000**
Scheme assets/(liabilities) at start of year	142,829	(140,152)	**2,677**
Expenses	(371)	–	**(371)**
Interest income/(cost)	6,640	(6,515)	**125**
Actuarial gain	(13,362)	8,762	**(4,600)**
Contributions by employer	295	–	**295**
Benefits paid	(6,650)	6,650	**–**
Scheme assets/(liabilities) at end of year	129,381	(131,255)	**(1,874)**
Provision for loss due to benefit changes			**–**
Unrecognised surplus scheme assets			**–**
Scheme assets/(liabilities) recognised at end of year			**(1,874)**

(e) Amounts recognised in the statement of financial activities	**Year to 31/12/2024 £000**	Year to 31/12/2023 £000
Interest income	**6,640**	7,110
Interest expense	**(6,515)**	(6,837)
Interest on effect of asset ceiling	**(125)**	(273)
Net interest expense	**–**	–
Expenses	**(371)**	(507)
Provision for benefit changes	**–**	(92)
Total expense	**(371)**	(599)
Net actuarial losses in the year	**(4,600)**	(2,818)
Unrecognised surplus/effect of asset ceiling	**2,677**	2,936
Interest on effect of asset ceiling	**125**	273
Total decrease in net funds	**(2,169)**	(208)

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25. PENSION COSTS (CONTINUED)

(f) The assets at 31 December 2024 are represented by:	At 31/12/2024 Fair value £000	At 31/12/2023 Fair value £000
Equities	**11,864**	4,559
Bonds	**61,295**	66,137
Property	**13,775**	15,202
Liability driven investments (LDI)	**35,523**	44,933
Cash	**3,739**	3,664
Liquid alternatives	**3,185**	1,548
Private credit	**–**	4,232
Other	**–**	2,554
Scheme assets	**129,381**	142,829

(g) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	Year to 31/12/2024 % p.a.	Year to 31/12/2023 % p.a.
Discount rate	**5.51**	4.76
Inflation (RPI)	**3.19**	3.08
Inflation (CPI)	**2.81**	2.63
Deferred revaluation: RPI max 5% p.a.	**3.19**	3.08
Pension increases in payment: CPI max 5% p.a.	**2.75**	2.60
Pension increases in payment: CPI max 2.5% p.a.	**1.97**	1.90
Pension increases in payment: CPI max 3% p.a.	**2.23**	2.14

Demographic assumptions

Mortality	Year to 31/12/2024	Year to 31/12/2023
Base tables	**S3PXA**	S3PXA
Loading on base tables	**106%**	106%
Improvement allowance, for males	**CMI_2023 (1.5%)**	CMI_2022 (1.5%)
Improvement allowance, for females	**CMI_2023 (1.25%)**	CMI_2022 (1.25%)
Smoothing parameter	**7.0**	7.0

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25. PENSION COSTS (CONTINUED)

(h) Review of scheme benefit changes

During 2021 Save the Children UK was notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. This review identified that, in some cases, changes to Scheme benefits (primarily those made in 1994) may have been implemented at a time or in a way that may not have been in accordance with the TPT Trust Deed or Rules and other relevant governing documentation or applicable law. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). If the court finds that any of the amendments made to the benefits of members were not validly made by TPT in line with the TPT governing documentation and/or applicable law, the Trustee may be required to amend the TPT Rules to reflect the benefits members were entitled to before the relevant amendment(s) was made. This may result in an increase to the Scheme's liabilities.

The actuarial valuation for the Scheme as at the end of 2024 identified a deficit of £1.9m performed under FRS 102 and makes no allowance for these potential liabilities. The financial impact of the potential liabilities is still under review. No legal or constructive obligation will arise until the court has handed down its judgement, which is expected later in 2025 (and may subsequently be subject to appeal).

Save the Children UK has reviewed information shared by TPT and received independent legal and financial advice regarding the potential financial impact of the various scheme changes and the likelihood of a court ruling that the various changes were invalid. There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes affecting past service benefits are found to be invalid is in the range of £0m–£65m of liability (calculated on FRS 102 assumptions based on financial conditions as at 31 December 2024). This estimate is based on the current investment strategy and applicable valuation assumptions. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed and we may seek to change the future investment strategy of the scheme, and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years.

Virgin Media Case
In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. This case was concerned with the validity of changes to certain pension scheme rules in a salary-related contracted out scheme made between 1997 and 2016 without the necessary actuarial confirmation. The Court found that the changes made without the necessary actuarial confirmation were invalid. In July 2024, the Court of Appeal upheld the original decision. Save the Children UK has discussed the ruling with TPT and its potential implications for the Scheme. TPT is asking the High Court as part of the case described above to provide directions on a number of issues arising from the Virgin Media case. In addition, industry bodies have made representations to the Department of Work and Pensions for the Secretary of State to make regulations that would, subject to appropriate safeguards, enable the retrospective validation of amendments. Pending the outcome of the Court case, it will not be possible to estimate with any reliability the quantum of any potential additional liability (if any). Save the Children UK will continue to monitor developments as further government guidance and/or case law emerges.

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25. PENSION COSTS (CONTINUED)

(i) Defined contribution scheme

Save the Children UK has a Group Personal Pension (GPP) provided by Legal and General as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

The cost of the defined contribution scheme is included within salary costs as shown in note 8. It is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates. Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2024 £000	Year to 31/12/2023 £000
Pension contributions	**2,116**	1,912

(j) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements, a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers).

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2023 by a professionally qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 94%.

The triennial valuation at 30 September 2023 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £250k.

The actuary advises that the deficit in the scheme, on an FRS 102 basis, is £69k (2023: £34k). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers. Save the Children UK started to make deficit contributions in April 2013. In 2024 Save the Children UK paid £21k (2023: £32k). Contributions from April 2025 are £24k per annum; it is estimated that this should reduce the potential debt to zero by March 2028. Under FRS 102 Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

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25. PENSION COSTS (CONTINUED)

Net movement in the pension liability	Year to 31/12/2024 £000	Year to 31/12/2023 £000
Provision at the start of the period	**34**	64
Unwinding of the discount factor (interest expense)	**1**	2
Deficit contribution paid	**(32)**	(32)
Remeasurements – amendments to the contribution schedule	**66**	–
Provision at the end of the period	**69**	34

Amounts recognised in the statement of financial activities	Year to 31/12/2024 £000	Year to 31/12/2023 £000
Interest expense	**1**	2
Remeasurements – reduction in future agreed contributions	**66**	–
	67	2

Financial assumptions	Year to 31/12/2024 % p.a.	Year to 31/12/2023 % p.a.
Rate of discount	**4.90**	5.31

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26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2024 £000**	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2023 £000
Income and endowments from:						
Donations and legacies	78,242	15,192	**93,434**	66,611	26,145	92,756
Charitable activities	–	187,171	**187,171**	–	177,590	177,590
Other trading activities	8,602	–	**8,602**	8,336	–	8,336
Investments	1,514	50	**1,564**	1,469	–	1,469
Other	2,495	–	**2,495**	2,700	(33)	2,667
Total income	90,853	202,413	**293,266**	79,116	203,702	282,818
Expenditure on:						
Raising funds	38,818	519	**39,337**	34,499	776	35,275
Charitable activities						
Nutrition	2,447	16,976	**19,423**	1,556	17,769	19,325
Livelihoods	2,328	14,840	**17,168**	3,677	23,830	27,507
Health	4,215	31,673	**35,888**	4,340	33,077	37,417
Protection and rights	2,234	15,123	**17,357**	1,303	11,550	12,853
Education	9,811	54,982	**64,793**	8,468	58,870	67,338
Rapid onset emergencies	13,761	69,206	**82,967**	10,574	56,324	66,898
Advocacy and awareness	12,352	2,750	**15,102**	9,370	3,118	12,488
Total charitable activities	47,148	205,550	**252,698**	39,288	204,538	243,826
Other	3,478	23	**3,501**	2,806	21	2,827
Total expenditure	89,444	206,092	**295,536**	76,593	205,335	281,928
Net gains on investments	2,465	421	**2,886**	2,112	414	2,526
Net income/(expenditure)	3,874	(3,258)	**616**	4,635	(1,219)	3,416
Transfers between funds	924	(924)	**–**	768	(768)	–
Actuarial (losses)/gains on defined benefit pension scheme	(1,864)	–	**(1,864)**	391	–	391
Net movement in funds	2,934	(4,182)	**(1,248)**	5,794	(1,987)	3,807
Fund balances brought forward	54,355	16,902	**71,257**	48,561	18,889	67,450
Fund balances carried forward	**57,289**	**12,720**	**70,009**	54,355	16,902	71,257

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27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Foreign, Commonwealth and Development Office in the year ended 31 December 2024

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	(7)
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	(45)
DRC Country Office	Education in Kasai	8,406
Kenya Country Office	UK Aid Match Health and Nutrition ACCEPT project	980
Mozambique Country Office	FCDO COSACA Consortium	38
Nigeria Country Office	Child Development Grant Programme in Northern Nigeria	38
Nigeria Country Office	Expanding Social Protection for Inclusive Development	545
Nigeria Country Office	Partnership for Learning for All (PLANE) 2021	1,955
Occupied Palestinian territory Country Office	Gender Equality and Inclusion in oPt 2022	338
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Lot 2	1,321
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Lot 3 for Child Protection and Gender Based Violence	2,194
Somalia Country Office	Better Lives Programme: Improving Access to Quality Essential Package of Health Services	625
Sudan Country Office	Sudan Protection Programme	979
Türkiye Country Office	Strengthening Social Connectedness and Reducing Inequalities Among the Most Marginalised and Vulnerable Children in North-East Syria	5,105
Uganda Country Office	ULEARN 2019	373
Uganda Country Office	U-Learn by Response Innovation Lab	1,009
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	2,667
United Kingdom	Elrha Humanitarian Innovation Fund/Community-Led Innovation/Global Prioritisation Exercise/UK Hub	7,776
Yemen Country Office	Food Security Safety Net Programme 2022–2027	2,868
Start Network	Start Fund Bangladesh Phase IV	1,211
Start Network	Ready Drought in Somalia	41
Start Network	Start Fund Nepal FCDO	1,315
Start Network	Start Fund 2022–2025	11,660
Start Network	Start Ready – Crisis and Disaster Risk Financing	8,527
		59,919

Income from the UK Department of Health in the year ended 31 December 2024

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	634
		634
Total UK central government income		**60,553**

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27. INCOME FROM UK AND IRISH GOVERNMENTS (CONTINUED)

(b) Income from the Irish government in the year ended 31 December 2024

Countries supported	Project	£000
Ethiopia Country Office	ECSC-SUN Irish Aid Funding 2022/23	(12)
Ethiopia Country Office	ECSC-SUN Irish Aid Funding 2023/24	332
Ethiopia Country Office	ECSC-SUN Irish Aid Funding 2024/25	156
Ethiopia Country Office	Irish Aid Climate Smart Programme (Afar and Somali)	434
Ethiopia Country Office	Irish Aid Gender Equality	1,273
Malawi Country Office	Malawi Irish Aid 2024 Positioning Maziko for Policy Influence and Scale Up	347
Malawi Country Office	Malawi Irish Aid 2024–25 Positioning Maziko for Policy Influence and Scale Up	2
United Kingdom	SUN-CSN 2022–2025 Irish Aid	529
Zambia Country Office	Youth Climate Resilience	295
Zambia Country Office	Youth Climate Resilience Phase 2	263
Start Network	Irish Aid Start Fund Contributions 2023	897
Start Network	Irish Aid Start Fund Contributions 2024	1,368
		5,884

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.

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THE SAVE THE CHILDREN FUND

England & Wales - Charity number 213890

Accounts

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ANNUAL REPORT 2023

Save the Children



MAKING A DIFFERENCE THAT LASTS

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BATTING FOR RIA

In 2023, we worked with local partners around the world to change the future for children. Children like Ria*, in Nepal, who appears on the cover of this annual report.

Ria is 16 and lives in Nepal. When we started working with her community, more than one in three girls were married before their 18th birthday. With local partner Sabal Nepal, we formed the first girls' cricket team in Nepal to challenge stereotypes and combat child marriage.

Ria started playing cricket and also became the chairperson of the Child Club, a group of young campaigners set up by Save the Children. She began taking part in street dramas addressing the negative impact of child marriage.

"When we're playing cricket, we hit the ball away with our bat. Similarly... we can hit away the child marriage", says Ria. Now her area is child marriage free – and their approach is being used as a model for other parts of Nepal. We're helping children like Ria across the world to build the future they deserve. In the pages that follow, you'll read more about the progress we've made this year.

"Everybody knows that child marriage is not a small problem. It is a big problem."



PHOTO: SUZANNE LEE/ SAVE THE CHILDREN

COVER PHOTO: SUZANNE LEE/ SAVE THE CHILDREN

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WHO WE ARE

Save the Children's ambition is a world in which every child has the right to survive, learn and be protected. We were founded on the belief that every child deserves the chance of a future. This belief underpins everything we do.

We support children to transform their lives. We put children's rights at the core of all our work. We also tackle big problems that hold children back – like poverty and inequality – while calling on leaders to stand up for them. We are committed to making a positive, lasting difference for and with children.

Save the Children works in partnership with local organisations and communities; volunteers and the public; social movements and civil society groups; governments and international institutions; private sector organisations; foundations and philanthropists; artists and ambassadors; and, above all, with children and families to create change that lasts a lifetime.

IN MEMORY

We dedicate this report to the Save the Children staff and volunteers who lost their lives during the past year. We, their colleagues, will remember them, and the impact they had for children will live on. Our deepest condolences go to their families, friends and colleagues.

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Names marked with * have been changed to protect identities.

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"Your country is your people"

Our Young Peacemakers' Assembly was launched in 2023 and brings together 15 young people aged 14–17 from Afghan, Somali, Sudanese, Syrian, Ukrainian and Yemeni communities in England. They are passionate about campaigning for a better world for children and refugees affected by conflict. So far, the young people have received training and support to develop a campaign aimed at influencing decision-makers to improve the lives of refugee children and children in conflict.

ARSENII, 15



In presenting this year's Annual Report, I reflect on our collective journey of exploring a vision of a bright future. This journey helped me to develop my vision of the perfect future.

My dream is based on fostering positive cooperation among nations to reduce challenges that cause suffering for children worldwide. I want to achieve a global environment where countries work together to address the vulnerabilities that affect our young citizens.

Globally, my concern is with the consequences of conflicts stemming from diplomatic failures, with devastating consequences. As advocates of peace, we emphasise the urgent need for a diplomatic solution to prevent humanitarian injuries in complex international relations.

At the national level, I advocate for prioritising life over states. My government is urged to focus on saving lives, recognising that real strength lies in preserving the public good.

I will find a way to deliver the fundamental truth to world leaders: "Your country is your people". May this report inspire a commitment to a collaborative, compassionate world in which dreams of harmonious futures become shared realities in countries such as Ukraine and Russia, where I believe things would be different if the heads of the government had a similar approach to the conflict.

SAFIA, 18

I joined the Young Peacemakers' Assembly because I am passionate about climate change and conflict and their effects in the global South. Currently I am campaigning on the impacts of climate change on indigenous and nomadic Zaghawa communities in Chad and Sudan. This issue affects me directly as I am from that community and have first hand experience of the impact.

Growing up with my grandma in a nomadic community I can see how climate change affected our daily lives, from our camels dying, increased droughts and difficulty accessing water. Which led to many people settling into towns and cities and forced them to abandon the nomadic lifestyle. I want to raise awareness of the Sudanese refugees in Adré, Chad, who haven't been getting the media attention that they deserve, so I would like to do my part.

The actions of world leaders on climate issues have real-life consequences on vulnerable indigenous communities like mine. I would like to see world leaders sitting with my community leaders and listening to what their needs are and what's the best way to help them adapt and mitigate the effects of climate change. I would like world leaders to work with international aid organisations to provide humanitarian support to people that need it.



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GIVING CHILDREN OPPORTUNITIES TO REACH THEIR POTENTIAL



HRH The Princess Royal at the 28th annual IFR Awards Dinner, our largest annual fundraising event, in March 2023.

PHOTO: CHARLIE FORGHAM-BAILEY/SAVE THE CHILDREN

2023 was one of the most challenging years for children in Save the Children's history, although it demonstrated the importance of supporting children and families around the world, regardless of the emergencies they face. Thanks to the generosity of the public and through our partnership with the Disasters Emergency Committee, we are able to support emergencies around the world.

Following the devastating earthquakes in Türkiye and Syria, Save the Children responded quickly to provide families with urgent food, water, and shelter, followed by longer-term support. We also responded in locations including Gaza, Ukraine, Pakistan, and Myanmar. Working with our networks and partners in these regions makes an enormous difference to our ability to support children whose lives are in danger and whose futures are under threat. We distributed hygiene products and recreational kits in Gaza through local partners, and we also started to provide mental health and psychosocial support to children and their families.

In the UK, we worked with over 300 organisations to support local communities and engage with children and parents. More than 30,000 people took part in our community projects and events. Together, we are working to make sure all children get a fair chance to realise their dreams.

As we look ahead to 2024, Save the Children's work to protect children is more vital than ever. By strengthening our work with local communities, partners, supporters and young people, we can continue to drive change and support the health, learning and safety of children who need it most. When children are given fair opportunities, they can reach their potential and achieve a future where anything is possible. By working together, we can help children everywhere take their futures into their own hands. Thank you for your ongoing support.



HRH The Princess Royal
Patron, Save the Children UK

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MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

In 2023, we faced unprecedented challenges in our mission to support children in crisis. From persistent conflicts to the global hunger crisis, climate instability, and rising living costs; the year truly tested our resolve.

Our commitment to ensuring every child can survive, learn, and be protected has never been more crucial or felt more ambitious. Our dedication to this mission remains steadfast, driven by the resilience of children and their families that we witness every day.

The projects, case studies and stories in this report are a testament to the unwavering support of our donors, partners, volunteers, and staff. Their compassion, dedication, and generosity have been fundamental in advancing our mission. We acknowledge the risks our colleagues bravely confront in some of the countries where we operate. Our thoughts are with those we have lost this year, individuals who dedicated themselves to championing and safeguarding the rights of children in places where it is dangerous to simply be a child.

DRIVING CHANGE IN 2023

Save the Children UK is a leading member of the Save the Children Movement. In 2023, we continued to support the Movement in responding swiftly to crises worldwide. Our joint emergency response work aided communities in 55 countries, reaching 28 million people (page 7). This included providing assistance during earthquakes in Türkiye and Syria, as well as conflicts in Sudan, Ukraine, Yemen and Gaza. The Movement's Humanitarian Fund played a crucial role in enabling rapid responses to escalating crises globally. By mobilising local partners and communities, the fund facilitated the delivery of life-saving interventions to address the most critical needs of children.

The latter part of the year was overshadowed by the conflict in Gaza, Israel, and the West Bank. During the initial two months of the conflict, our efforts assisted over 70,000 people, approximately half of whom were children. Working with the Country and Regional Offices alongside local partners, we provided crucial support. In the UK, our advocacy efforts included launching a public petition signed by over 200,000 individuals, urging the UK Government to pursue a definitive ceasefire and ensure full humanitarian access. The humanitarian needs are immense, and we anticipate this conflict will remain a priority in 2024.

As well as reacting to crises, we prioritised proactive measures to strengthen communities before disaster strikes. This year, our focus on resilience-building has included advocating for enhanced Anticipatory Action plans in Somalia (page 22) and implementing social protection programmes in Nigeria (page 22). At home, we have been campaigning for reduced childcare costs in the UK (page 25).

In our development work, we are committed to shifting power and resources to local and national organisations, communities and children, putting children's voices at the heart of all that we do. Whether that is by promoting a healthy start in life (page 12), fostering educational opportunities (page 15), and advocating for a childhood free from violence (page 18).

THE JOURNEY AHEAD

We acknowledge the persistent challenges and the imperative work that lies ahead. As we look to the forthcoming year, commencing the recruitment process for our next CEO marks the beginning of a new chapter, coinciding with the return of our Chair of the Board, Tsitsi Chawatama-Kwambana, from maternity leave. Our sincere appreciation to Gwen Hines who stepped down as CEO in February 2024.

We extend heartfelt gratitude to everyone who has played a part in our journey. Together, we have had a lasting impact on the lives of many children, and together, we will continue in our efforts to create a brighter future for every child, everywhere.



Gemma Sherrington
Interim CEO,
Save the Children UK



Richard Winter CBE
Interim Chair of Trustees,
Save the Children UK

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A GLOBAL MOVEMENT

Save the Children UK is one part of the Save the Children movement, a global membership organisation made up of Save the Children International and 30 national members. We share one name and one ambition: a world in which every child has the right to survive, learn and be protected.

In 2023, the Save the Children global movement directly supported 47.4 million children in 94 countries around the world.

MEMBER OF A GLOBAL MOVEMENT

In 2023, Save the Children UK supported the global movement in 49 countries. We provided technical expertise, funding, strategic and governance support, advocacy, programme management and humanitarian response work.

We also supported staff, partners and the wider humanitarian sector with capacity-strengthening programmes.

OUR SHARED 2030 AMBITION

The Save the Children movement's long-term 2030 ambition, which is aligned with the UN's Sustainable Development Goals, focuses on three global breakthroughs:

- SURVIVE: By 2030, no child will die from preventable causes before their fifth birthday.
- LEARN: By 2030, all children will learn from a good-quality basic education.
- BE PROTECTED: By 2030, violence against children will no longer be tolerated.



Children take part in Catch-up Club activities at a school in a refugee settlement in Uganda.

PHOTO: ESTHER RUTH MBABAZI/ SAVE THE CHILDREN

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2022–24 STRATEGY

Over the final year of our 2022–24 strategy, we will continue to work with and for children to bring about lasting change in the UK and around the world. We have four global goals for children:

- A healthy start in life
- A safe return to school and access to quality learning
- A childhood free from violence
- Resilience to cope in tough times

We are tackling the triple threat of the climate crisis, conflict and the long-effects of COVID-19, prioritising the rights of those children worst affected by inequality and discrimination. In the UK, we are focusing on children's learning and practical support for families in poverty. We accelerate our ability to bring about lasting impact by:

- Advocating, campaigning and mobilising for child rights
- Shifting power and resources to children, communities and local partners
- Creating shared-value partnerships that contribute impact, influence, income, engagement and skills
- Building a kind, inclusive and agile organisation
- Optimising and futureproofing our resources
- Embedding data-driven and evidence-based decision-making and enhancing our digital and technology skills

With 2024 being the last year of our current strategy, we will develop our next strategy over the course of 2024.

SHIFTING POWER AND RESOURCES

Integral to our drive to create lasting change for and with children, we are committed to shifting power and resources to local and national organisations, communities and children. This means sharing our experience, data, knowledge and skills to forge truly equitable partnerships. It also involves putting children's voices at the heart of all that we do.



PHOTO: KATE STANWORTH/SAVE THE CHILDREN

Lilly, 8, practising Kobudo in her local park in Dundee. When life was tough for Lilly's family, we gave them a grant. Now, things look very different and they are thriving.

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OUR WORK AROUND THE WORLD



PHOTO: ADRIANA LOUREIRO FERNANDEZ/ SAVE THE CHILDREN

Leydy, 6, at home in Bolivia. Save the Children helped her family to set up a baking business.

OUR IMPACT IN 2023

In 2023, we worked, in partnership with others, to help realise children's rights at scale, improve equality and support children's power.

We work to bring about tangible, lasting change for and with children. We do this through:

- **Programmes and partnerships** that are led by Save the Children country offices, designed and delivered with local and national partners and financed by a range of Save the Children members and donors.
- **Generating and sharing data and evidence** about the situation for children and filling critical gaps in the knowledge of what works to realise children's rights to survival, learning and protection, and build resilience.
- **Improving global funding, policies and practices** for children through coalitions, campaigns, media, advocacy and partnerships. In this way we drive wider and longer-term change.

LIFE SAVING IMPACT FOR CHILDREN THROUGH HUMANITARIAN ACTION

In 2023, emergencies grew in scale and intensity, increasing pressure on all those who deliver humanitarian assistance. As the year began, we were providing emergency support with our partners in Afghanistan, Ukraine, and countries affected by the global hunger crisis – especially in the Horn of Africa. Since then, we responded to a deadly earthquake in Türkiye and Syria, urban warfare in Sudan and the horrific conflict in Gaza, Israel and the West Bank. All this is on top of protracted crises in Myanmar, Democratic Republic of Congo and Yemen, and the worsening situation in the Sahel.

While Save the Children International's One Humanitarian Team leads operational responses to many emergencies, Save the Children UK plays a vital role, driving advocacy, media attention and fundraising – directly and through the Disasters Emergency Committee. Together, we reached 28 million people including more than 15 million children.

During 2023, we recognised £40 million of income from our supporters and through our partnership with the Disasters Emergency Committee for our emergency response work. This included £4.5 million for our Emergency Fund, £5.1 million through our own appeals (£2.4 million for the Türkiye and Syria earthquake and £2.4 million for Gaza), and the rest from Disasters Emergency Committee appeals for the Ukraine conflict, the Türkiye and Syria earthquake, the Pakistan floods and the Afghanistan crisis.

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PHOTO: JOHN OWENS/SAVE THE CHILDREN

Eylül* and her three-year-old granddaughter Fatima* outside their tent in a small village in south-eastern Türkiye

Eylül lost everything when her home was destroyed in February's devastating earthquake. When we met her in March, she was trying to stay strong, living in a tent with her daughter and three-year-old granddaughter Fatima*.

Eylül told Save the Children she didn't know where they were going to get food to break their fast during Ramadan. She said: "For good or for bad, we'll keep on living. We'll fast even with just bread and water."

Eylül was grateful to receive essential shelter and hygiene items, which Save the Children delivered as part of the initial response. But she worried about how her children and grandchildren, like Fatima,* could process the trauma of the past weeks.

CALL FOR A CEASEFIRE IN GAZA

Save the Children values all children's lives – the children killed in Israel on 7 October 2023, those taken hostage, those killed in Gaza and those at risk of dying if we can't mount the humanitarian response needed. We launched a public petition and called on the UK government for the critical precursors for lasting change – a definitive ceasefire, full humanitarian access, and an end to the exploitation of all children for geopolitical ends. We projected our call for a ceasefire onto the Houses of Parliament.

Our teams and partners across the region have been working around the clock to get much-needed supplies into Gaza and support the most vulnerable children and families, despite the huge challenges. Thanks to our humanitarian experience and the team in Egypt, Save the Children was able to get supplies through the Rafah crossing. But so much more is needed, and this crisis will likely dominate our work in 2024.

IMPROVING CASH ASSISTANCE

Providing cash and vouchers is an effective and transparent way of providing aid to vulnerable people – but systemic issues can hinder the growth and impact of cash assistance. In 2023, we led the Collaborative Cash Delivery Network consortia in Ukraine, Poland, Türkiye and North West Syria. We are pioneering new ways of distributing cash and vouchers, reducing the numbers of intermediaries, and promoting local leadership in cash and voucher assistance. In the mid and longer term, we will work to link cash and voucher assistance programmes to government social protection systems.



Our powerful message projected onto parliament called on the UK government to put lives above politics.

PHOTO: SAVE THE CHILDREN UK

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DEFENDING CHILDREN'S RIGHTS

As well as driving progress on the biggest issues facing children, we also work on cross-cutting issues that underpin progress on children's rights.

ENSURING CHILDREN'S VOICES ARE HEARD

Young people know best what their main concerns and challenges are. They are often best placed to suggest solutions as well. It's vital that their voices are heard when matters affecting them are discussed and decided.

We are part of global efforts to help realise children's rights, by bringing the voices and perspectives of young people to the institutions, governments and policy forums where decisions are being taken. This year, there have been some brilliant and impactful examples of where we have done this.

THE GLOBAL REFUGEE FORUM

In December 2023, world leaders met at the second Global Refugee Forum, the largest international gathering focused on refugees. Through the Initiative for Child Rights in the Global Compacts – a partnership of over 30 organisations – we worked to ensure that children's voices were at the centre of the Forum process. This included a consultation with 434 refugee children from 11 countries before the Forum to capture their views and ensure these were highlighted. The feedback shows refugee children globally



PHOTO: MAURO BEDONI/SAVE THE CHILDREN

Larissa*, 7, plays in a child-friendly space in a temporary shelter for Ukrainian refugees in Germany.

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fear discrimination, exclusion from schooling, violence in camps and the community, and they want a say in their future. We supported young people to attend the Forum and to participate meaningfully, including as part of the official Somali delegation. They included Naya, a 16-year-old Syrian girl, who played an active role during the Forum. She spoke on behalf of herself and elevated the voices of the refugee children in the consultations by speaking eloquently in five events, and giving numerous interviews.

SUPPORTING LOCAL HUMANITARIAN LEADERSHIP

Save the Children UK set up the Humanitarian Leadership Academy in 2015 to enable people to prepare for and respond to crises in their own countries, by offering high-quality learning opportunities.

Strengthening locally led action has been a key priority for the Academy in 2023. It delivered live training for 2,415 humanitarians in Eastern Europe working on the Ukraine response. It established relationships with 81 NGOs, government bodies and volunteer groups to build a network responding to the crisis and set up a capacity-strengthening fund to provide grants to local humanitarians.

When massive earthquakes hit southern Türkiye and northern Syria in February, the Academy trained local responders in humanitarian operations, staff wellbeing, safeguarding, and coaching and mentoring.

The Academy compiled free training resources to support the Ukraine and Türkiye–Syria responses on its learning platform. The cumulative number of humanitarians using the platform increased from 517,000 to 716,000 in 2023 and 923,247 courses were completed since the launch of the platform. Most learners come from disaster-prone and disaster-affected areas.



PHOTO: JOHN OWENS/SAVE THE CHILDREN

Umut*, 10, in Türkiye, loves playing games when Save the Children's support team visits his earthquake-damaged village.

GLOBAL DATA AND EVIDENCE TO DRIVE THE GREATEST IMPACT

We are working to generate and share data and evidence at the global level about the situations children face, and to fill critical gaps in the knowledge of what works to realise children's rights to survival, learning and protection over the long term.

CHILD ATLAS

The Child Atlas, Save the Children's exciting new data platform, can be used to visualise, compare, analyse and understand children's lives around the world. It lays an important foundation for lasting change by allowing anyone to explore the different ways inequality affects children's lives, understand the relationship between different topics, like poverty, education and the climate crisis, and hear how children describe the problems they are facing. The Child Atlas puts high-quality, publicly available data at the fingertips of policy-makers, local and national organisations and children, covering child outcomes, risks and crises, and public policy decisions. Blogs and explainers help to make sense of the data.

This fantastic resource allows global and local organisations, communities and children themselves to:

- Describe and highlight the situation of children through data, with a particular focus on those affected by inequality and discrimination.
- Hold decision-makers to account: data in the Atlas helps us to monitor the advancement of children's rights and keep decision-makers accountable for it.
- Empower children and young people: the Atlas gives children access to information and tools that can help them to understand their own situation, express their views, participate in decision-making, and hold duty bearers accountable for their actions.

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IMPROVING GLOBAL FUNDING, POLICY AND PRACTICE FOR WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices for children through coalitions, campaigns, advocacy and partnerships.

CAMPAIGN ON REMITTANCES

One in nine people worldwide are supported by remittances – money that people working abroad send home to support their families. Remittances are a lifeline for millions, amounting to three times global aid and foreign direct investment, but the costs to remit are very high. If UK remittances to Ethiopia, Kenya and Somalia were free from costs for one year, £63 million more would go directly to the individuals and families living there. The potential to create greater lasting impact is huge. That's why we launched a campaign in 2023 to address the barriers that increase the cost to remit. We're bringing together money transfer companies, diaspora communities, governments, regulators, banks and development partners to address this issue.

RESTORING THE UK'S AID BUDGET

In 2020 the government cut the UK's aid budget from 0.7% of gross national income to 0.5%, triggering uncertainty and threats to the funding of some of our programmes, to the detriment of lasting change for and with children. This was compounded by the government's approach on including costs of hosting refugees in the UK as aid, which means that around a third of the aid budget is in fact spent in the UK.

We worked with partners to create a media campaign at the time and have continued to keep the aid cuts high on the political agenda. Evidence we provided led the House of Commons International Development Committee to conduct an inquiry into the issue, and shaped their agenda. This year, the Committee published its assessment of the real-world impacts of the aid cuts, which warned that huge numbers of children would die, and many others would be affected, particularly women and girls. We issued a robust statement which became the headline on the front page of *The Guardian*. We are quoted throughout the International Development Committee's report.

We were also deeply engaged in the development of the government's new International Development White Paper, published in November 2023, to ensure that the aid which the UK does continue to give is spent with the maximum impact for children.



PHOTO: MUSTAFA SAEED/SAVE THE CHILDREN

Omar*, 7, lives in a camp for displaced people in Somalia. He comes to our children's centre every day to learn and play.

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A HEALTHY START IN LIFE

A healthy start in life begins in pregnancy and a safe delivery, through a child's first five years of life. We tackle the greatest barriers to children's health, focusing on childhood illnesses and adequate nutrition. Together with our global, regional, and national partners and local civil society groups, we have continued to work on behalf of those most affected by inequality and discrimination to bring about lasting change from the very start of a child's life.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our programmes and partnerships to promote a healthy start in life are designed to meet goals set in country office-led strategic plans, designed and delivered with local and national partners, and financed by a range of Save the Children members and donors.

SUCHANA – SUSTAINING IMPACT IN BANGLADESH

In 2023 we completed our seven-year Suchana programme in Sylhet, northern Bangladesh. The programme aimed to improve the nutrition of children under two and reduce high rates of stunting in two districts. Working with partners, communities and government, we supported vulnerable households to reach a more secure status, where they could afford a nutritious diet and feed themselves and their children well. The programme included a wide range of activities, including advice and breastfeeding counselling, vitamin A distribution, growth monitoring and treatment of malnutrition. We promoted new farming and fishing methods to improve food production, including technologies to help farmers adapt to the effects of the climate crisis.



PHOTO: FABEHA MONIR/SAVE THE CHILDREN

Nafiz, 14 months, Taiyeba, 10, and their mother Rohima in Sylhet, Bangladesh

After three years of support from Save the Children's Suchana programme in Bangladesh, Rohima has turned her family's situation around.

The mother of three learned new tools and advice on how to give her children the healthiest start in life and improve their nutrition. This was especially important in her latest pregnancy with her son Nafiz, where she was encouraged to go for regular ante-natal and post-natal check ups. "It was a relief for me that both me and my baby are fine, " Rohima told us.

Now she uses what she learned from Suchana, to grow fruit and vegetables at home, rear ducks and make sure her children Noor, Taiyeba and Nafiz are eating balanced meals throughout the day. With the surplus money she makes from her food production, she pays her children's school fees and buys them the books and materials they need.

In recent years Rohima has seen floods in her area become more frequent and more severe. In 2021, the family were forced to leave their home to safety. Fortunately, Rohima had learned some tips from Suchana's sessions which helped her prepare for the flood. She took a clay oven with her so she could continue to cook nutritious food for her family during the disaster. She also used money from the Village Savings and Loans scheme to replace her poultry and get the family back on their feet once they returned home.

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The programme has been rigorously monitored and evaluated across the years and, despite disruption from the COVID-19 pandemic, has far exceeded its targets for lasting change. An independent evaluation of Suchana conducted in 2023 was overwhelmingly positive about the impact that has been achieved and whether it will be sustained. It found strong evidence that the programme had effectively addressed many of the immediate and underlying drivers of stunting in children. The proportion of food secure households had more than doubled (from 14% to 31%), as had the proportion of women able to access a diet diverse enough to meet their nutritional needs (from 26% at baseline to 51%).

The evidence and learning on good practice are now being used and replicated in more districts, and supporting policy change at the national level. This means that the gains from Suchana can be sustained and scaled up right across Bangladesh, ensuring long-term impact for children.

IMPROVING PNEUMONIA TREATMENT IN NIGERIA

Pneumonia is still the single biggest cause of child deaths through infectious disease worldwide. In Nigeria, it's the cause of every fifth death in children under five, claiming 162,000 young lives every year. 2023 saw the conclusion of our five-year INSPIRING project in Nigeria to speed up the progress towards ending child deaths from pneumonia and other infectious diseases.

We worked with GSK and research partners, as well as government and community stakeholders, in two very different areas of Nigeria – Lagos and Jigawa. COVID-19 posed a real challenge, and the programme was adapted to help respond to the immediate needs caused by the pandemic.

The project recorded some hugely significant achievements, including providing life-saving equipment to health facilities, training hundreds of health workers, and establishing women's and men's groups to learn and take community action. Through Save the Children's leadership role in the Every Breath Counts Coalition, Nigeria's first ever National Pneumonia Control Strategy has been developed and adopted in Jigawa State.

We generated important evidence about the potential of new approaches to managing pneumonia and other infectious diseases. Some 15 peer-reviewed papers were published on different aspects of the project. These will inform future work and possible scale-up across Nigeria and beyond.

Amina, 14, with her sister Saratou, who has recently recovered from pneumonia, outside their home in Jigawa State, Nigeria

As baby Saratou lay struggling for breath, her mother Hafsat sat by her bedside night after night holding the oxygen mask to her face.

"They put her on oxygen," says Hafsat. "She tried to remove the oxygen [mask]. That's why I stayed with her every night, holding her hand as she slept so that she didn't remove it. I was very unhappy. I cried and cried. I was so tired. We had many nights without sleeping."

While Hafsat was at the hospital, Saratou's 14-year-old sister Amina waited anxiously for news at home. The pair share a special bond. "Right from childhood, we loved each other so much. I love her because of the way she smiles and is always happy and this also makes me happy. I am not always happy at this time, because I won't be able to see her."

That would soon change though. Saratou finally began responding to her treatment – treatment that was made possible by our partnership with GSK. Our joint INSPIRING programme has equipped dozens of health centres in Nigeria with essential oxygen supplies and trained hundreds of health workers how to identify and treat cases of pneumonia – cases like Saratou's. She was soon recovering well and was able to return home to her loving family.



PHOTO: YAGAZIE EMEZI/SAVE THE CHILDREN

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DATA AND EVIDENCE TO DRIVE THE GREATEST IMPACT

We are working to generate and share data and evidence about the situations children face, and to fill critical gaps in the knowledge of what works to realise children's right to have a healthy start in life.

COMMUNITY HEALTH WORKERS

In 2023, we shared findings from the largest ever systematic review of the evidence about the effects of community health workers on health equity, which we conducted with GSK, Durham University, CARE International, and Amref Health Africa.

At events in Kathmandu, Nepal and Nairobi, we invited stakeholders from Ministries of Health, regional governments, NGOs, academia and professional associations, who learned how to make community health worker programmes impactful and equitable. The primary messages were also captured in a short animation, which global stakeholders and other organisations are sharing.

IMPROVING GLOBAL FUNDING, POLICY AND PRACTICE FOR WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices through coalitions, campaigns, advocacy and partnerships to ensure children have a healthy start in life.

TACKLING BARRIERS TO VACCINATION COVERAGE

Save the Children UK has strengthened our collaboration with GAVI, the Vaccine Alliance. We attended their Mid-Term Review conference in June 2023, which was designed to keep world leaders focused on equitable access to vaccines.

We organised a side-event to highlight our work to reduce inequities in access to immunisation in Ethiopia and Somalia. Three excellent speakers from our movement discussed our findings on the social and behavioural factors that lead to children not being vaccinated.

INFORMING GLOBAL HEALTH POLICY

In September 2023, the World Health Organisation's Civil Society Commission was launched. The Commission will strengthen collaboration between the World Health Organisation and civil society. It aims to have a broad and diverse membership of networks and organisations representing grassroots communities, civil society, faith-based organisations, children and young people, professional and patient groups. Save the Children UK has a representative on the Steering Group – an excellent opportunity to strengthen the involvement of civil society, children and young people in global health policy-making.

ADVOCATING FOR VITAL FUNDING

This year, the UK Government committed £80 million for the next five years to the Global Financing Facility for Women, Children and Adolescents (GFF), to help them deliver their new strategy which aims to save 18 million lives. This is the biggest sum the UK has pledged to the GFF, and for the longest time period, and is in part due to our dedicated advocacy.

We mobilised civil society networks to ask the UK government to commit additional resources to the GFF, and we backed our advocacy with up-to-date research, showing how the GFF model works in practice. During the GFF's pledging event, Save the Children International's CEO, Inger Ashing, drove home the message that limited funding for social services is preventing women and girls from fulfilling their most basic rights.

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A RIGHT TO LEARN

Education is every child's route to change the rest of their life for the better. Education allows children to learn and develop, and can protect them from poverty, violence and abuse. But too many children continue to miss out.

Even before the COVID-19 pandemic, 258 million school-aged children were denied their right to education. And even when children are in school, they can't learn basic skills like literacy and numeracy if their teachers aren't trained and equipped to teach them. Children in low-income and conflict-affected countries are the most likely not to be in school or learning. We keep a particular focus on those most affected by inequality and discrimination – including girls, children with disabilities, refugees, migrating and displaced children, and those from the lowest-income households.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our programmes and partnerships to support children's learning are designed to meet goals set in country office-led strategic plans, designed and delivered with local and national partners, and financed by a range of Save the Children members and donors.

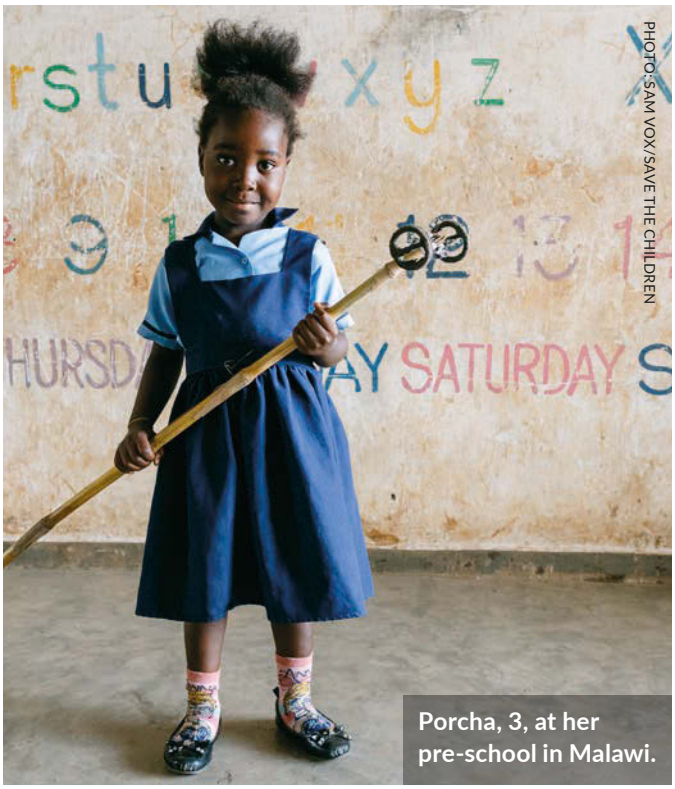


PHOTO: SAM VOX/SAVE THE CHILDREN

Porcha, 3, at her pre-school in Malawi.

RADIO IMPROVES EARLY EDUCATION IN MALAWI

We are working with the Government of Malawi and local partners to improve the quality of early education for three- to five-year-olds as a basis of lasting change.

The government identified that volunteers in community-based childcare centres lacked access to professional training, and as a result children were starting primary school without the skills they need.

Radio was chosen as a cost-effective way both to boost volunteers' skills and to deliver quality, standardised teaching at the centres. The project exceeded its targets, with 31 radio stations and an average of 75 community-based childcare centres per district in 12 districts taking part.

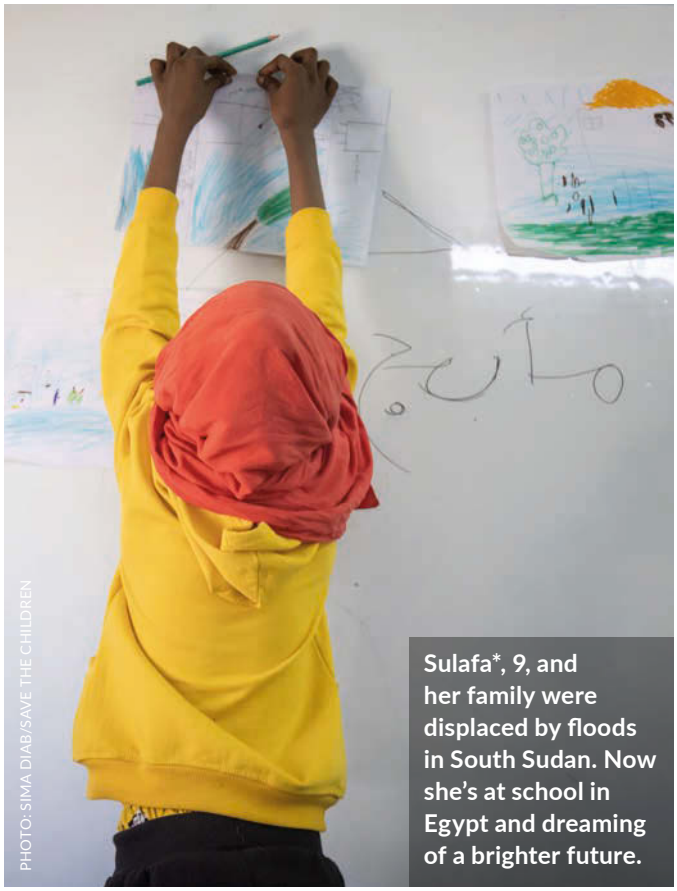
92% of community facilitators said their ability to deliver quality teaching had improved. 67% reported increased enrolment and attendance of children in their centres. This is paving the way for radio to be embedded in national education plans and provided free across Malawi.

SCHOOL MEALS IN ETHIOPIA

Ongoing drought in some regions of Ethiopia, compounded by recent conflict in the north, have had a devastating impact on people's livelihoods. School meals have helped ease the challenges of food insecurity and kept children in school amid crises.

Save the Children UK supported a school feeding project, implemented in partnership with the Government of Ethiopia in the five regions most affected by food insecurity, which ended in 2023. Nearly a quarter of a million children

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PHOTO: SIMA DIAB/SAVE THE CHILDREN

Sulafa*, 9, and her family were displaced by floods in South Sudan. Now she's at school in Egypt and dreaming of a brighter future.

received school meals through the project – well beyond our initial targets.

Our evaluation found that pre-primary attendance increased from 58% to an astonishing 95.3%. At primary school level, attendance rose from 69% to 90.8%. These benefits were seen equally for girls and boys. A third of the children reported that they 'miss school rarely' after the school meal provision started.

With our local partner, Ethiopia School Meal Initiative (ESMI) we supported the Ministry of Education to develop a new School Feeding Policy and Strategy. As a result, some regional governments are now implementing school meals programmes, ensuring long-term change is embedded.

IMPROVING EDUCATION IN SIERRA LEONE

In Sierra Leone, despite strong political will to transform education, many primary age children are not mastering the basic literacy and numeracy skills they need to progress. Teacher workforce issues and the poor quality of teaching are significant factors holding them back.

The Sierra Leone Education Innovation Challenge aims to change this. Save the Children is one of five organisations piloting different models that the government could take to scale.

Our model focuses on building teachers' competencies in literacy and numeracy instruction, as well as gender and inclusion. We aim to strengthen the support that school leaders and supervisors provide to teachers, and to improve children's access to teaching materials. Alongside increasing out-of-school learning opportunities, through reading and numeracy clubs, we are also engaging parents in supporting their children's learning.

The early results are promising. An independent evaluation found some initial gains in children's numeracy outcomes in the schools where we worked compared to the control schools. Our own internal evaluations also showed some small literacy gains. Findings from the programme will inform the government's uptake of cost-effective models that work.

BUILDING AND SHARING DATA AND EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

We are working to generate and share data and evidence of the situation for children, and to fill critical gaps in the knowledge of what works to realise children's right to learn.

TEACHERS AND WELLBEING

Through our programmes around the world, we are building evidence of what works to improve teachers' wellbeing, which directly affects their performance. This can include professional development, ensuring a safe and inclusive working environment, support, supervision, and coaching.

In September, we shared evidence from four countries at a symposium we organised at the UKFIET Conference, an important forum for those working in education and development.

RISKS TO EDUCATION INDEX

2023 was another devastating year for children's education around the world. Natural disasters, conflict, climate change, food crises, forced displacement and the aftermath of COVID-19 continued to strain education systems, denying millions of children the opportunity to learn and thrive.

For the third consecutive year, we published our Risks to Education Index, ranking 182 countries by the vulnerability of their school system to hazards and levels of preparedness to

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those hazards. The good news is that the number of countries ranked at 'extreme' and 'high' risk has fallen since 2022, largely due to the reduced risk of COVID-19-related school closures and improvements in vaccine coverage. However, seven countries – Somalia, Afghanistan, Sudan, Syria, Yemen, Mali and Nigeria – have been in the top ten most at-risk countries every year. They urgently need increased resources and action to cope with existing and future crises.

IMPROVING GLOBAL FUNDING, POLICES AND PRACTICE TO DELIVER WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices to ensure children learn, through coalitions, campaigns, advocacy and partnerships.

ADVOCACY FOR MORE EDUCATION FUNDING

When donor countries met at the Education Cannot Wait financing conference in February, they heard from children who told them they must prioritise funding so that all children have access to safe, quality education. Save the Children supported four children from Colombia and Nigeria to participate in the conference – we were the only organisation to support delegates under 18.

The Conference raised just over half of the $1.5 billion target for the 2023–26 strategic period, with pledges from 16 donors. The UK pledged £80 million, the second largest donor after Germany.

Later in the year, we published *The Price of Hope: Funding education for the world's refugee children*. The report explores the state of education for refugees in 2023, examining the progress that has been made since the 2019 Global Refugee Forum, and the impact that events such as the COVID-19 pandemic and the rising debt crisis have had. Among key findings are:

- Four of the 14 top low- and middle-income refugee-hosting countries spent more on servicing external debt than they did on education in 2020.
- Low- and middle-income countries in the top 20 refugee-hosting countries paid more than US$23 billion in interest payments on external debt alone in 2020 – enough to send every refugee child in those countries to school for nearly five years.



PHOTO: SUZANNE LEE/ SAVE THE CHILDREN

Mamata*, 13, attends a Save the Children supported school in Nepal. She aspires to be a social worker.

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A CHILDHOOD FREE FROM VIOLENCE

Every child should grow up safe and supported. Yet many children's lives are blighted by violence and abuse. Save the Children research released in June 2023 found that 468 million children lived in areas affected by armed conflict. We work with partners and communities to protect children who are being bombed, shot, starved, raped and often left with no escape from violence – and to enforce the global standard that children should always be off-limits in war.

Around the world, girls are at risk of early marriage and other forms of gender-based violence. We are supporting girls and working with them to build their agency to stand against violence in their communities. And we make sure children's own voices are heard by those in power.

PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our programmes and partnerships to support children's lives to be free from violence are designed to meet goals set in country office-led strategic plans, designed and delivered with local and national partners, and financed by a range of Save the Children members and donors.

FOOTBALL SKILLS FOR REFUGEES

Our Coaching for Life programme continues to provide life-changing support to children aged 10 to 18 in Za'atari refugee camp in Jordan through football coaching. More than 900 children took part in football and resilience sessions in 2023, the fifth year of the programme, which we co-created with The Arsenal Foundation.

The economic downturn is putting further pressures on families in the camp, leading children to drop out of school to work and girls facing child marriage. We listened to the communities' concerns and provided tailored support for affected children. We also adapted the programme to the community's changing needs. The delivery of the sessions is now more flexible and allows children to stay engaged after the initial 20-week cycle. In 2023, we put further emphasis on addressing the significant barriers that girls face through countering harmful gender norms and promoting gender equality in the programme. Female coaches serve as powerful role models for girls in the camp and the continued participation and equal graduation of girls are among the programme's great successes.

INNOVATING TO HELP CHILDREN INJURED IN CONFLICT

In March, we launched the world's first Centre for Paediatric Blast Injury Studies in partnership with Imperial College London and a host of medical and operational experts. The Centre, based at Imperial College London, is carrying out research into the impact of conflict trauma on children and developing and delivering technology to address the challenges faced by those caring for children with blast trauma injuries. The Centre's initial focus is treating injured children in Ukraine and improving access to prosthetic limbs.

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Girls playing football in a Coaching for Life session

In 2018, The Arsenal Foundation and Save the Children combined our expertise to design and implement Coaching for Life.

Coaching for Life uses the power of football to improve children's physical, mental, and emotional wellbeing. We launched the programme in Za'atari refugee camp with a focus on supporting children and their families who had been affected by the Syrian war.

At our fifth anniversary, we are making huge breakthroughs. From tackling gender stereotypes so that girls have equal opportunities to play football, to proving sport can play a crucial role in improving children's mental health and wellbeing.

We are incredibly proud that through our dedication and passion to make a difference, we have helped over 3,200 children living in Za'atari to have a brighter future.



PHOTO: CHARLIE FORGHAM-BAILEY/ SAVE THE CHILDREN

BUILDING AND SHARING EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

We are working to generate and share data and evidence of the situation for children, and to fill critical gaps in the knowledge of what works to realise children's right to live free from violence.

GIRLS DECIDE

Our research showed us that migrant and displaced girls face unacceptable levels of discrimination, racism and violence – yet they were falling between the cracks in our programmes. In 2023, we plugged this gap with Girls Decide, a life skills curriculum for migrant and displaced girls.

This unique and flexible resource is designed for use in girls' clubs and girl-friendly spaces and is tailored to the concerns, issues and challenges that adolescent girls on the move face. It covers issues such as making good decisions, protection from trafficking and smuggling, healthy relationships, and growing networks of support, and enables girls to develop knowledge, skills and confidence to undertake safer journeys and make more informed decisions for their future.

The curriculum was piloted by groups of girls and young women aged 10–24 in South Africa, Zambia and Colombia. They told us they had learned about themselves, gained more confidence, enjoyed better communication leading to improved relationships, particularly with their families, established new connections and strong peer-to-peer bonds, and experienced an increased sense of wellbeing. One girl in South Africa said the sessions had "created an unbreakable bond of sisterhood".

Girls Decide has been translated into French and Spanish, and is being used in countries from Vietnam to Mexico.

> **"The sessions helped me to connect with other girls. I was able to share my challenges with other girls who went through the same thing and were able to give me advice."**
>
> Participant in South Africa

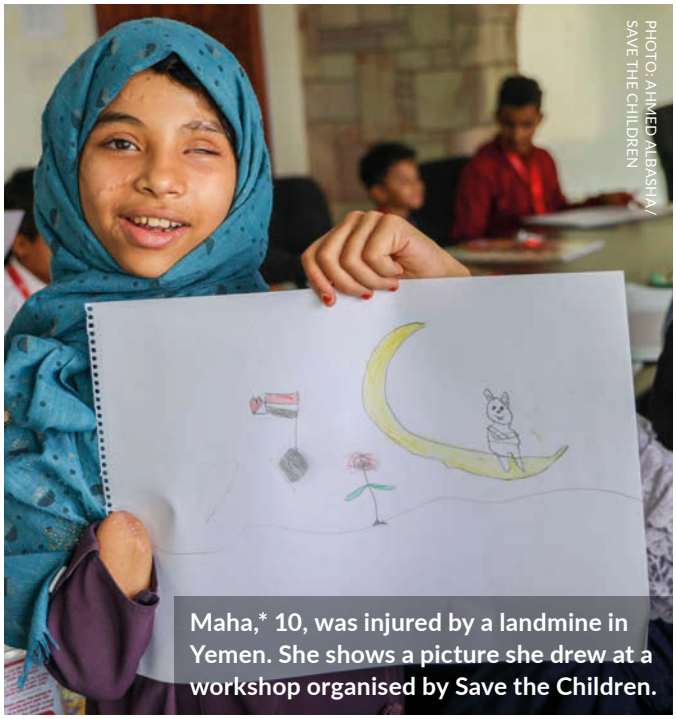
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IMPROVING GLOBAL FUNDING, POLICIES AND PRACTICE TO DELIVER WIDER IMPACT

Save the Children UK is working to improve global funding, policies and practices to ensure children have a life free from violence through coalitions, campaigns, advocacy and partnerships.

PROTECTING YEMEN'S CHILDREN FROM LANDMINES

2023 marked the eighth anniversary of the conflict in Yemen. Eight years of war, on top of decades of historical conflict, have left a deadly legacy of explosive ordnance, including landmines, across the country, threatening children's lives, childhoods, and their futures. Our report *Watching Our Every Step*, published in 2023, highlights the impacts of explosive ordnance, including landmines, for children, their unique vulnerabilities, and what must be done to better protect them from harm. It reveals that landmines and other explosive devices caused more than half of child deaths and injuries from armed violence in 2022. One child was killed or injured by such devices every two days. We are calling on the UK government to fully fund the Yemen Humanitarian Response Plan, hold perpetrators to account, and put greater pressure on parties to conflict to prioritise the protection of children and uphold international laws and norms.

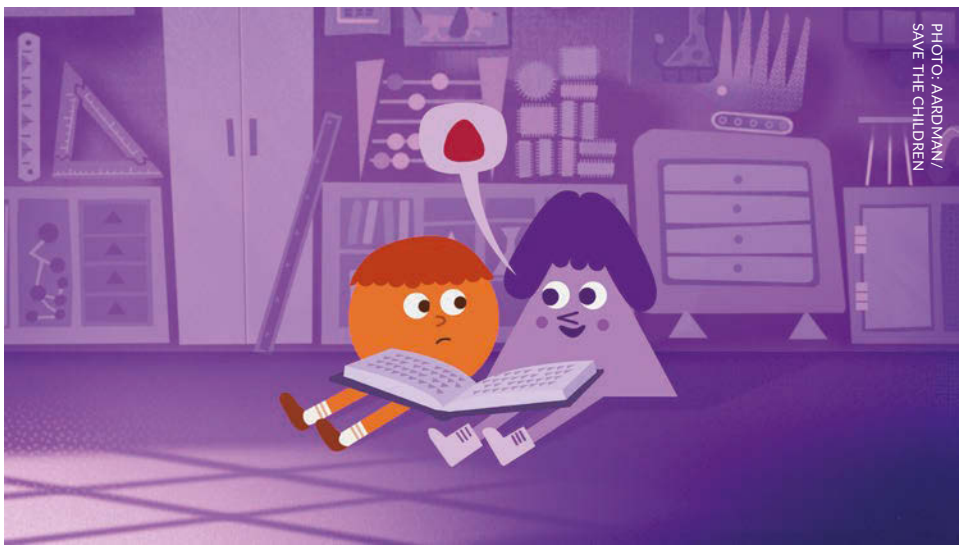

PHOTO: AHMED ALBASHA/ SAVE THE CHILDREN

Maha,* 10, was injured by a landmine in Yemen. She shows a picture she drew at a workshop organised by Save the Children.

A WORLD THAT'S HOME TO EVERYONE

To mark the anniversary of the escalation of violence in Ukraine, we released an animated short film called 'Home' inspired by the real-life stories of children we've worked with from Ukraine, Afghanistan, Yemen and Syria. The film, created with leading animation studio Aardman, featured on BBC's Newsround and was seen by millions.

An installation designed by Save the Children's Ukraine country office was launched at the NATO headquarters in Brussels in May. Titled *Childhood under fire: Growing up in Ukraine today*, it gives a picture of children's everyday life in Ukraine since the beginning of the war. Our CEO Gwen Hines travelled to Brussels for the launch and meetings to advocate for an ambitious new NATO policy on children and armed conflict.


PHOTO: AARDMAN/ SAVE THE CHILDREN

'Home', our short film made with Aardman, was inspired by children's real-life stories.

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RESILIENCE IN TOUGH TIMES

Around the world, children are facing more extreme weather – from harsher droughts in Somalia to heavy flooding in Pakistan. These climate-related shocks are destroying livelihoods, decimating farming and livestock, disrupting water sources, causing food price spikes and driving people from their homes. Countries like the Solomon Islands that have contributed least to this crisis are being worst affected.

Meanwhile, a rise in conflict is uprooting families from their homes and destroying critical infrastructure and livelihoods. Globally, one in six children now live in conflict zones – they are more than twice as likely to suffer from malnutrition as children living in a peaceful setting.

Economic turmoil has driven up prices, creating a cost-of-living crisis across the world – pushing food beyond the reach of many families. The conflict in Ukraine has exacerbated an already fragile food system, as Ukraine and Russia supply around 30% of the world's wheat.

The combination of these threats is driving the worst global food crisis in decades. 258 million people were facing high levels of food insecurity in 2023. Already, 13.7 million children are facing severe acute malnutrition. Severely acutely malnourished children have weakened immune systems and are 11 times more likely to die from common illnesses than well-nourished children. Hunger not only threatens a child's survival, it drains their energy, silences play and disrupts learning.



PHOTO: CONOR ASHLEIGH/SAVE THE CHILDREN

Junior, 16, inspecting taro plants he's growing in a community garden in the Solomon Islands.

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PROGRAMMES AND PARTNERSHIPS TO DELIVER LASTING CHANGE

Our programmes and partnerships to support resilience in the context of conflict and the climate emergency are designed to meet goals set in country office-led strategic plans, designed and delivered with local and national partners, and financed by a range of Save the Children members and donors.

SUSTAINING IMPACT IN NIGERIA

Our work on social protection in Nigeria is an excellent example of where long-term involvement, working alongside government and civil society partners, can deliver sustainable change at scale. Three of the four states we have been working with to establish the building blocks for social protection have now passed social protection bills and have policies in place. Our support is helping to ensure vulnerable and marginalised citizens benefit from the payments. We have also helped the federal government digitalise the social protection payment systems to enable nearly 20,000 parents to receive cash via debit cards.

BUILDING AND SHARING EVIDENCE TO ENSURE THE GREATEST POSSIBLE IMPACT

We are working to generate and share data and evidence of the situation for children, and to fill critical gaps in the knowledge of what works to build resilience in the context of conflict and the climate emergency.

ANTICIPATORY ACTION TO LIMIT SUFFERING

Every month, new climate records are broken and the communities we work with face mounting weather shocks, exacerbated by the El Niño effect. In Somalia, after the worst



PHOTO: MAHADER HAILESELASSIE TADESE/SAVE THE CHILDREN

Salma*, 13, campaigns against early marriage in her community in Ethiopia's Somali Region. Portrait by Maheder Haileselassie Tadese.

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drought in 40 years, 2023 saw massive floods affecting more than two million people, of whom over 899,000 have been displaced.

The good news is the country team took action ahead of time, using the Anticipatory Action plan they had developed based on forecasts, which included cash transfers and livestock treatment. The bad news is the scale of the crisis is so massive that the funding available wasn't enough. We continue to push all donors to fund anticipatory action at scale. We have generated robust evidence to demonstrate that it is effective at preventing suffering and saves money. In 2023, 19% of all allocations from our Emergency Fund went to anticipatory action and preparedness. We formed new partnerships and channeled 18% of funds from our Emergency Fund – more than ever before – to local and national partners, as they know their communities best.

HIGHLIGHTING THE RISKS OF CLIMATE CHANGE TO GIRLS

In October we published new analysis showing that almost 9 million girls face extreme risk of climate disasters and child marriage every year. The number of girls living in the ten countries with the highest combined risk of climate change and child marriage is expected to reach almost 40 million by 2050.

Our report, *Girls at the centre of the storm – Her planet, her future, her solutions*, is designed as an adolescent-friendly resource for girl advocates. To launch the report, we commissioned photography from Mahader Haileselassie Tadese, winner of the 2023 Contemporary African Photography prize. The photos, which featured girls who had avoided increased pressure to marry as a result of the ongoing hunger crisis in Ethiopia, were published in the *Guardian*.

IMPROVING GLOBAL FUNDING, POLICES AND PRACTICE TO DELIVER WIDER IMPACT

CALLING FOR FUNDS TO TACKLE HUNGER

In the Horn of Africa, five back-to-back failed rainy seasons have decimated crops and livestock, leaving millions without enough food or water. Severe flooding across Ethiopia and Somalia deepened the food crisis further. We responded – but international funding still falls far short of the $7 billion required to meet the needs of over 40 million people in the region. We continue to advocate strongly for sustained support to the crisis to bring about long-term change that lasts.

In November, when the UK hosted a Global Food Security Summit, we worked with others in the Hungry for Action coalition to help shape the outcomes, through media work, a global youth call to action and a joint statement on child wasting. The government committed to double their funding for child wasting (the most dangerous form of malnutrition) and to provide an additional £100 million to respond to food security crises in the worst hit areas.

Jamila*, 40, prepares fortified milk for her newborn daughter, Kamila*, who's being held by her 13-year-old sister Ramla*

Jamila is at a stabilisation centre in Somalia with her daughter Kamila, who is suffering from malnutrition.

Jamila remains hopeful for her daughter's recovery and is taking the necessary steps by seeking medical assistance at the centre.



PHOTO: MUSTAFA SAEED/ SAVE THE CHILDREN

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OUR WORK IN THE UK

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Our work in Scotland is laid out on page 28.

All children in the UK should grow up in families that have enough money to live with dignity so they can play and learn and have the best start in life. Yet an estimated 4.2 million children are now living in poverty across England, Northern Ireland, Scotland, and Wales. Poverty affects children's education too: there is a 20% difference in expected development and learning outcomes between five-year-olds living in poverty in England and their better-off peers.

This year, we worked with families living in poverty to make sure they have what they need to keep their children safe, healthy, and learning. We developed partnerships with over 300 organisations across the UK, and built evidence and worked with families to make sure their voices are heard. We have given parents and children a range of opportunities to engage with decision-makers. Together we secured government support for families, feeding into national policy-making on issues such as the inadequacy of social security payments, the two-child limit on child payments in universal credit and the cost of childcare.

CHILD POVERTY

Parents should be able to provide their children with what they need for a full and happy life. Many families entered the COVID-19 pandemic, and then the cost-of-living crisis, already in hardship. These crises have pushed families to the brink. One in four children in the UK is now living in poverty – a problem that has grown over the last decade.

Through our Early Years Grants programme, we work with local partners to support families with the cost of buying food and basic goods, while building relationships with families to help them find more sustainable ways out of poverty. This year we delivered much-needed support to over 6,000 households, reaching over 13,000 children across the UK. As well as providing immediate help when it is needed, the grants also provide headspace and relieve stress which means that families can access other support services.



PHOTO: LAURA PANNACK/SAVE THE CHILDREN

Richard plays with twins Charlie and George, 2, at home in Sheffield. When they moved home, the family received an Early Years Grant to help buy furniture and other essential items.

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PARENT CAMPAIGNERS

Our network of parent and community champions, including a newly formed community group in Smallshaw-Hurst, continued to influence decision-making this year. The Voices for Bettws parent group gave feedback on the Welsh government's child poverty strategy; parents in Sheffield worked as community researchers; parents were a key part of roundtables in the Westminster parliament, and parents also met policy-makers in Northern Ireland. They discussed their experience of issues including the welfare system, the cost of living, childcare and barriers to work.

CAMPAIGNING WORKS

We celebrated a campaign win in March when the Chancellor of the Exchequer announced that families on Universal Credit will receive upfront support with childcare costs. This means that parents moving into work or increasing their hours will receive the childcare payment upfront, rather than in arrears – removing a major barrier to work for parents on benefits. The maximum costs parents can claim was also increased by around half. We have worked tirelessly on this issue for over five years, with our amazing parent campaigners.

We have amplified the voices of children and their families across Wales this year. Our *Starting Strong* report provided insights on best practice approaches to make the transition into primary school as happy as possible for children and their families. We have been outspoken in the media on what matters to children, and challenged the Welsh Government to provide free meals for children during the school holidays.

The years of political instability in Northern Ireland have contributed to persistent poverty and seen Northern Ireland fall behind the rest of the UK in terms of public policy. However, a strong civil society has in part managed to plug the policy gap. Working with children, parents and our partners, we have been campaigning to ensure decision-makers hear firsthand the challenges families are facing. In September we launched our report *We don't just want to survive* and invited decision-makers to meet parents at the launch. The Northern Ireland Executive was restored in early 2024 and we hope they will bring what they learned into policy decisions.

We work with all parties across the UK to campaign against child poverty. We took a van to Labour's Policy Forum in Nottingham, urging Labour to scrap the two-child limit on child benefit payments if they got into government. As a result of this, and other initiatives, Labour leader Keir Starmer has committed the Labour Party to developing a child poverty strategy which will be a crucial route to creating lasting change.

In October we co-hosted a panel discussion at the Conservative Party Conference and highlighted the number of children still living in poverty and the progress that has been made in recent years, including shared parental leave, and the biggest ever expansion of childcare. We stressed that government decisions should be rooted in the experiences of families, particularly those who are struggling, to bring real meaningful policy change for families.

BABY, BANK ON US

In May, we launched the Baby, Bank on Us campaign with *The Sun* newspaper. The campaign shared powerful stories of how baby banks have supported families across the UK. It also raised almost £100,000 for baby banks so far. Generous businesses – IKEA, Amazon and Sainsbury's Tu – donated products such as baby wipes, pyjamas and hygiene kits worth some £45,000. The Princess of Wales, who is also backing baby banks through her work with The Royal Foundation Centre for Early Childhood, used her influence to encourage members of the public to donate funds, products and pre-loved items or to volunteer at a baby bank.

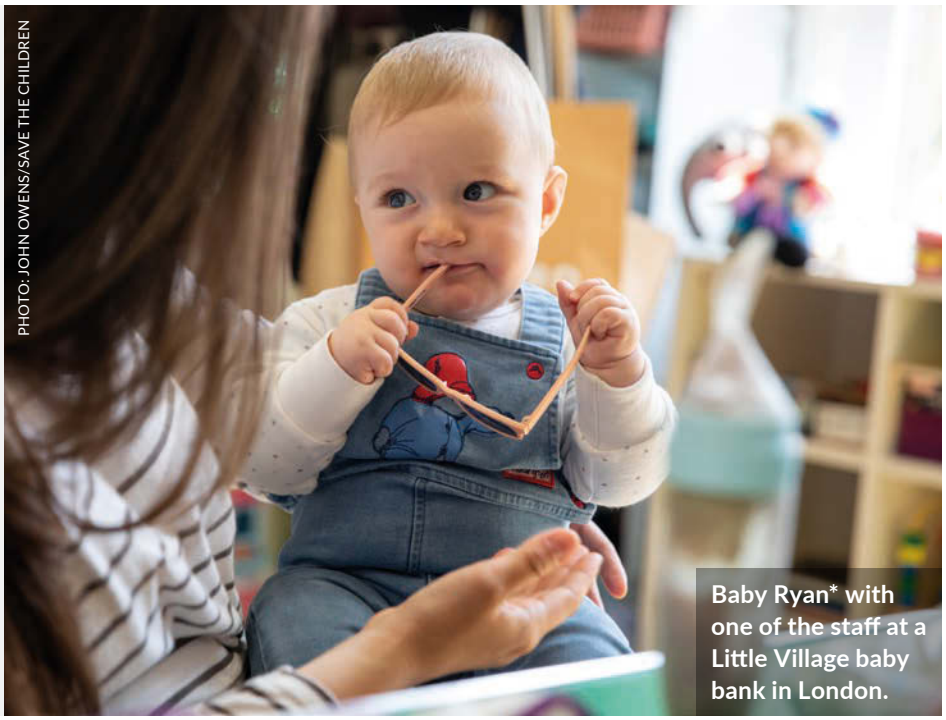


PHOTO: JOHN OWENS/SAVE THE CHILDREN

Baby Ryan* with one of the staff at a Little Village baby bank in London.

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POTENTIAL NOT POVERTY

We put children's voices at the heart of everything we do. In 2023, we worked with a group of young people with experience of poverty from the Wallsend and Smallshaw-Hurst Children's Communities, and creative agency Effervescent, to produce a powerful short film, 'Potential not Poverty'.

We brought the young people to Westminster to meet MPs and talk about their experiences and ideas about how to change things for the better. The MPs told us this had a big impact on them. The project also had a huge impact on the young people's confidence and passion for making change happen, as well as building their skills in storytelling, film design and production, media interviews and interpersonal skills.



Young creative Maddison, 16, on the set of Potential not Poverty.

COVID-19 INQUIRY

In October 2022, we were selected as a core participant in the UK government's official COVID-19 inquiry, together with Just for Kids Law and the Children's Rights Alliance for England.

This year we published *What about the children?*, a report on the pandemic's impacts on babies, children and young people. It highlights how the experiences of the pandemic were not uniform. Children and babies living in poverty, young people from minoritised communities and those with special educational and mental health needs suffered disproportionately. Children's rights enshrined in UK and international law were not sufficiently considered by decision-makers over two years of pandemic policy-making.

We also heard from our Youth Advisory Board, who gave their perspectives on how lockdown affected their lives.

In the media (including two front page articles in *The Telegraph*) we emphasised the lack of focus on the wellbeing of young people and children. For example, we cited how the government gave guidance about how adults could do yoga in the park but didn't say that kids could play there, and prioritised the reopening of venues like pubs before schools.

The experience of COVID-19 must inform the government's response to any future pandemic. We want to make sure that protection and support for children and young people are central to decision-making.

OUR WORK IN COMMUNITIES

We believe all children growing up in the UK should have access to quality services and support, regardless of their family income. We work directly with communities to help achieve this.

We work with children, families and professionals to test out new and innovative approaches to identify not just 'what works' but 'what works here'. We then use our experience to influence national practice.

In 2023 we worked in our five Early Learning Communities in Sheffield, Margate, Feltham, Bettws in Newport and Eastside in Belfast; in our two Children's Communities in Smallshaw-Hurst and Wallsend; and in Tower Hamlets and Manchester.



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BRINGING COMMUNITIES TOGETHER

All our work starts with listening to children and families. This year we conducted research with our partner Beyond the Page to learn from the experiences of migrant mothers in Margate in accessing early years' services; we listened to families' experiences of the welfare state in Northern Ireland; and we worked with Poetic Unity, a charity that supports young people from Black and Black Mixed backgrounds, to bring together a group of young people to write a poem about how the cost of living crisis is affecting them. All these stories informed our policy and practice right across the UK.

We also bring communities together to discuss and learn from each other. The Early Years Community in Margate now includes more than 40 organisations. It funded and supported 11 partners to deliver 12 co-designed projects focused on outdoor play, supporting families to get access to services, and family wellbeing. In Sheffield our ongoing partnership with Sheffield Hallam University has enabled a greater influence and reach right across South Yorkshire. We hosted a Family Fun Day which featured partners such as health visitors, immunisation teams and community workers to offer families crucial information along with play packs for children, who were entertained with arts and circus skills, face painting and appearances by superheroes. The East Belfast Early Learning Community is a collaboration with nursery staff, health visitors, department representatives, teachers and other members of the community all committed to finding innovative ways to create systems change for children. Over the summer we held a play day event focused on supporting parents to play and learn with their children.

Since 2018, the Parent Power Advisory Group in Tower Hamlets has brought together disparate parts of the local community, with representatives from local organisations, services and families. This group has become a strong networking force, working together to devise promising solutions to locally defined issues. This year, they supported toy libraries, carried out 185 health visiting reviews to support babies born during the pandemic; and shaped creative play sessions in schools with Half Moon Theatre

In Manchester, we ran a story-gathering project to create a picture of what it is like for families with children aged three and under – the challenges they face, and the gaps that need plugging. *Our Story – Not Just a Mum* highlighted issues including isolation, low self-confidence and a lack of summer activities and safe spaces to play

This year we ran 100 Families Connect courses. Over eight weekly workshops, parents built their skills and knowledge to support their child's learning at home. They discussed their children's learning, were introduced to activities, techniques and games that they can do with their children to support their social and emotional development, literacy, language and numeracy skills, and gained confidence and friendships.

SUMMER OF PLAY

The summer holidays should be a brilliant time for all children; yet many parents dread them because of the extra costs involved in feeding their children and keeping them busy. This year, our Summer of Play programme gave more than 10,000 children living in disadvantaged communities opportunities to play during the holidays.

We collaborated with 26 community partners, providing grants for activities and events, and we worked with In Kind Direct to distribute play and back-to-school packs.

WONDERPACKS INSPIRE POSITIVE PLAY

Positive interactions and play between a parent and child over the first few years of life are the biggest influence on a child's early development and a key foundation for lasting change. Yet many children living in poverty have limited access to books and toys, and parents may have limited time and space for play.

This year, with social enterprise Boromi, we created Wonderpacks: five packs spanning newborn to primary, designed to inspire play through the resources provided and to highlight the play potential of everyday moments and objects. Wonderpacks were delivered to thousands of families experiencing hardship through our Early Years Grant programme.



PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

Sureya, 3, at a Family Fun Day hosted by the Sheffield Early Learning Community.

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SAVE THE CHILDREN IN SCOTLAND

Save the Children's activities during 2023 addressed issues faced by children in Scotland, as well as contributing to the global aims of Save the Children.

SUPPORTING FAMILIES

In partnership with the Scottish government, we have continued to deliver our Families Connect programme with professionals in nurseries and schools across Scotland. The programme helps parents play with children in a way that boosts their learning and accelerates their social and emotional development.

In 2023, we delivered Families Connect in 24 schools across nine different local authorities. We also trained 56 new facilitators from six local authorities to deliver Families Connect in their settings. Our partnership with Glasgow Life has enabled us to scale and improve delivery in Glasgow, with training taking place each school term this year.

We have developed a practical guide for practitioners on how to embed and sustain parental engagement in their practice. We are currently testing the guide by delivering workshops in schools and with community partners.

EARLY YEARS GRANTS

We worked in partnership with community organisations across eight local authorities to provide grants to 326 families with young children. The grants are worth up to £340 and are used to pay for food and other essentials.

As part of the Summer of Play, we distributed over 100 packs of toys and interactive materials at Home Start Clackmannanshire's Play in the Park days for families with children under five. Delivered through our community partners, our Winter of Play programme supported just under 1,000 children, providing money over Christmas for activities, toys and play materials.

> "I am so grateful for the help and support that this grant has given my son. I've been able to buy fresh food and not have the stress of having to choose between heating my home or eating."
>
> Parent

CHALLENGING POVERTY

Throughout 2023, we engaged 150 children and young people and 137 parents to challenge poverty by providing opportunities to share their views on key issues and meet with decision-makers including Scottish Government Cabinet members and Scottish Labour leader, Anas Sarwar MSP. Hearing from those with lived experience helps accelerate the policy changes that will lead to lasting change. We held several focus groups with parents, and hosted visits to our programmes and partnerships work, including one with actor Isla Fisher.

We supported parents to meet with members of the Scottish Parliament Social Justice and Social Security Committee and share their deepening experiences of poverty. Many discussed how the stress and worry are taking a toll on their mental health and are directly affecting their children.



PHOTO: KATE STANWORTH/ SAVE THE CHILDREN

Aayat, 1, plays in a park in Edinburgh. Her family received our Early Years Grant to buy food and other essentials.

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PHOTO: ANNA GORDON/ SAVE THE CHILDREN

Isla Fisher reads to Ornaith and Grace at a Families Connect programme in Glasgow.

In partnership with Aberlour, we held an event for children and young people to enable them to share their experiences of living in a low-income family. They also had the opportunity to share their views with, and ask questions of, the Cabinet Secretary for Social Justice, Shirley-Anne Somerville MSP.

In June, we published *Tipping the Scales* with the Joseph Rowntree Foundation and IPPR Scotland. This highlights the social and economic harm of poverty in Scotland and was widely covered in national press.

We also published *Better For Babies*, which highlights recommendations on how to sustainably reduce poverty among families with a baby. We held a focus group with parents to gather insights and received cross-party support for our calls to do better for babies in Scotland.

Along with The Lines Between, we published a report exploring parents' experiences and views on supporting early learning and development at home. We will use our findings to engage key decision-makers and stakeholders on how to improve support for families.

As part of the End Child Poverty coalition, we campaigned for a further increase to the Scottish Child Payment to a minimum £30 per week in the Scottish government's Budget. We briefed MSPs on the importance of this and worked throughout the year to engage the First Minister and his government on child poverty. During the first days of the new Scottish government, we secured cross-party support for a recommitment to the 2030 targets to reduce child poverty.

PUBLIC ATTITUDES PROJECT

In collaboration with the Joseph Rowntree Foundation, we launched a two-year project, funded by The Robertson Trust, to understand public attitudes on child poverty in Scotland. Through a national survey and citizens' panel, we aim to identify widely supported policy changes to effectively reduce child poverty and create a Scotland where every child has the childhood they deserve.

FUNDRAISING

We are grateful for continued support from our partners in Scotland, including the Scottish government and The Robertson Trust, along with support from our UK corporate partnerships. We are also thankful to Andrew Doig for his valuable contribution, to those who engage in our fundraising campaigns such as Christmas Jumper Day and, of course, to the Scottish public who give so generously throughout the year. These vital funds are essential to help us create lasting change for and with children.

OUR GLOBAL ROLE

We continue to play an active role on the Scottish Government's Humanitarian Emergency Fund panel. Through this work, we secured funding towards the Cyclone Freddy response in Malawi. The funding helped provide immediate relief for affected families. We've continued to work to secure media coverage on the conflict in Ukraine and the war in the occupied Palestinian territory.

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WORKING IN PARTNERSHIP

We are only able to have the impact that we do through working in partnership. The work of our partners underpins the scale and impact of our programmes. It deepens our knowledge, skills and expertise. It gives us the opportunity to innovate and amplifies children's voices and influence.

We are incredibly grateful to all our partners and supporters and have celebrated them and the impact they have had throughout this report. Here are some other standout examples from 2023.

Engaging with our stakeholders

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders – the individuals, groups, organisations and institutions listed in this section. This list is not exhaustive.

That's why we proactively engage with each of our key stakeholders in a way best suited to them. We consider their needs and concerns at all levels of decision-making, in accordance with s172 of the Companies Act 2006.

LOCAL ORGANISATIONS

We support our teams across the world to rebalance power and transfer decision-making to the local organisations, communities, and children with whom they work. This is a core strategy in delivering lasting change for and with children. In 2023, we advanced our equitable partnerships through hiring a dedicated Equitable Partnership Lead, revised our direction of travel and increased our engagement on this with the global Save the Children movement. Additionally, we have worked with peers across the international NGO sector on how we can localise partnerships while we make them more equitable. Some highlights include:

- increasing the total amount of programme funding to local and national organisations: in 2023, 13% of Save the Children UK's programme spend was delivered through local and national partners.
- strengthening how we co-create with local and national partners by developing the Partnership Quality Marker: a guidance tool on how to design more equitable funding proposals that promote locally led solutions which are informed by the expertise of local and national actors.
- developing new ways of providing flexible funding to local and national partners which cover the basic costs they need to operate and sustain impact for children.

In **Uganda**, through collaboration with Street Child Uganda and with funding from Education Can't Wait, we supported the formation of a Localisation Unit. This platform created separate funding windows that can only be accessed by local partners in Uganda, without competition from international organisations. As a result, seven local and national partners – two of them women-led organisations – received funding they would not have had access to previously.

As **Iraq** transitions from receiving humanitarian assistance to meeting the needs of its population through government services, we supported local and national organisations to



PHOTO: EMILY GARTHWAITE/ SAVE THE CHILDREN

Haidar*, 10, and his friends playing in their village in Iraq.

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improve basic education access and quality for all children. With funding raised by players of People's Postcode Lottery, awarded by Postcode Education Trust, and together with our local partners, we developed an Education in Emergency fund. This was administered through a joint committee with local and national organisations. The fund supported five national NGOs to ensure they can play their part in bringing about lasting change in the country's education sector. The programme has brought education to 5,000 boys and girls in hard-to-reach communities thanks to collaboration with: Mercy Hands, Darya, Public Aid Organization, Voice of Older People and Family, and Sorouh for Sustainable Development Foundation. We supported these local partners to develop their capacity to deliver quality programmes for children and access funding in the future. We also created opportunities for local partners to work with the Ministry of Education and key donors funding education in Iraq.

Engaging with local organisations

Through our equitable partnership initiative, we are improving the way we work with local and national actors so that they are at the forefront of our partnership, advocacy, programme design, and implementation. We are working towards transformative partnerships built on equity and respect.

CORPORATE PARTNERS, FOUNDATIONS AND PHILANTHROPISTS

In 2023, our partners supported our programmes, shared their expertise, and helped children's voices to be heard, amplifying our impact and ability to create lasting change for and with children – such as our Coaching for Life partnership with Arsenal Foundation (page 19).

- We began a strategic partnership with Amazon, tackling the cost-of-living crisis and helping over 16,000 vulnerable families with financial grants and essential items.
- Our decade-long partnership with the Bill & Melinda Gates Foundation continues to support the Save the Children movement's child survival advocacy strategy. The Foundation's contribution in 2023 has helped us make the case in 11 countries for ambitious, equitable and effective global health funding to strengthen health systems and progress towards universal health coverage. We are renegotiating our partnership agreement for the next four years.
- In the UK, Bulgari supported our Early Learning Communities programme in Margate and Sheffield, helping over 1,000 families with outdoor play, accessing support, family wellbeing and two family fun days.
- We celebrated ten years of partnership with GSK and launched the next five-year phase: working together towards a world where no child suffers from a vaccine-preventable disease. We designed our new immunisation programme, working in Ethiopia and Nigeria. Our partnership continued to support vulnerable communities by responding to humanitarian disasters and enabling our Emergency Health Unit to better prepare for potential humanitarian crisis.
- Our Breadth of Skills programme with LEGO Foundation saw significant success integrating skills-based learning into the education systems of five countries.
- The Morgan Stanley International Foundation continued to back our Parent Power project, which has now supported more than 800 children in Tower Hamlets with their early learning and development.
- Norton Rose Fulbright LLP continued their support of education projects and emergency appeals, as well as providing invaluable expertise through over 4,136 hours of pro bono support, including a secondee initiative and providing support with the COVID-19 Inquiry.
- We continued to collaborate with Prudence Foundation to enhance school safety for over 540,000 people across the Philippines. The partnership supported the revision of the Comprehensive School Safety Framework; and Prudence Foundation continues to be a critical partner of our Emergency Fund.
- We're working with Unilever to support vanilla farming communities in Madagascar, promoting child rights and increasing livelihood opportunities. In Indonesia we're working together to promote handwashing to stop the spread of disease, and in Somalia to support remote communities with access to clean water.

We're grateful for the continued support of other corporate partners and foundations: AXA XL, Burberry Foundation, Clifford Chance, Collinson, CVC Capital Partners, EY, IHS Towers, Innocent Foundation, Kingsmill, Markel International, QBE European Operations, Revolut, Twinings, Virgin Atlantic, VolkerFitzpatrick, Warner Brothers Discovery, and wilko.

We would like to extend our thanks to the individuals, trusts and foundations who so generously supported our work in 2023: Alwaleed Philanthropies, Andrew Sibbald and the Feltham Funding Circle, Four Acre Trust, Jersey Overseas Aid Commission, Martin Lynch, Moondance Foundation, Paterson Logan Charitable Trust, Stavros Niarchos Foundation, Suliman S. Olayan Foundation (Liechtenstein), The Big Heart Foundation, The Karlsson Játiva Charitable Foundation, This Day Capital and the Wanderer Trust.

A special mention to:

- His Excellency Sheikh Thani Bin Abdullah Bin Thani Al-Thani and the Al-Thani Fund
- Community Jameel, for our strategic partnership with Jameel Observatory, Ejada and our ongoing work in response to the conflict in Gaza

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- Florence 'Cuppy' Otedola and the Cuppy Foundation for our integrated health and nutrition work in Nigeria
- Abdirashid Duale and the Dahabshiil Foundation for their support on our Global Remittance campaign
- People's Postcode Lottery for our ongoing transformational and flexible partnership, including supporting our impact in the UK
- The valued members of our networks driving strategic change for children: the Africa Advisory Board; the Vice Presidents; and the Women's Network, led by our Ambassador Natasha Kaplinsky OBE.

Finally, our appreciation to our Special Event supporters and gala committees for their continued support, with special thanks to Billable Hour, the IFR Awards series, International Arbitration Charity Ball Committee and the Winter Gala Committee.

Engaging with corporate partners, foundations, philanthropists, governments and multilateral donors

We engage with governments, multilateral donors, companies and philanthropists through in-person and virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the COP28 climate summit.

We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. For example, we convened a multi-stakeholder event in May 2023, co-hosted with our partner Norton Rose Fulbright LLP, to introduce our results-based finance work and impact investment funds.

GOVERNMENTS AND MULTILATERAL PARTNERS

Save the Children works in collaboration with governments and international organisations to deliver life-changing programmes for children all over the world. Together with our country offices, we design impactful programmes to deliver our mutual goals.

- In 2023, we signed a new programme with the UK Foreign, Commonwealth & Development Office to improve learning outcomes for children in the Democratic Republic of Congo. Girls and boys (including 60,000 girls) in Kasaï province will be empowered through quality formal and informal education and skills development for productive livelihoods.
- We continue to work with Irish Aid across their partner countries in Africa and began a new project in Zambia, working with national youth groups on climate change.
- In support of children in North West Syria, we are grateful to the French Ministry of Foreign Affairs for renewing their humanitarian funding to ensure conflict- and earthquake-affected girls and boys have access to safe, quality, and inclusive learning services.
- At the 2023 UN Climate Change Conference (COP 28) we announced our new partnership with the Green Climate Fund and the Global Partnership for Education for a new climate-smart education approach in three countries.
- We continued to progress our work with GAVI, the Vaccine Alliance in Sudan and agreed a new project in Somalia to strengthen routine immunisation rates and reach children who have never had a vaccination in 16 regions across the country.
- We received a grant from the Global Partnership for Education for our work with partners in Afghanistan. The project will increase access of children aged 10 to 18 to an improved education.
- We are indebted to the UN Office for the Coordination of Humanitarian Affairs (OCHA) and UNICEF for working with us to ensure life-saving support for children and their families in Gaza and many other crises.
- We continued to participate in the World Bank flagship meetings, including the first in-person Annual Meetings since the COVID-19 pandemic. Our CEO Gwen Hines spoke about collective action to support children in increasingly fragile settings at the opening plenary meeting.
- This year, Save the Children became an alternate civil society board representative to the Global Partnership for Education, enabling us to bring a children's perspective to the board.

YOUNG PEOPLE

It's vital that we continue to give children and young people the space and power to make decisions on issues that affect them.

- Alongside our partner Effervescent, and with funding from the National Lottery Communities Fund, we teamed up with a group of teenagers to challenge perceptions of poverty in the UK. The young people scripted and produced a powerful film, 'Potential not Poverty', influenced by their own experiences of poverty. The film was launched on Sky News and screened in Parliament to call on the government to end child poverty.
- We launched our first 'Children and Young People Climate Fund' and made 11 awards to support community groups and grassroots organisations to organise child- and youth-focused local events and activities related to tackling the climate crisis. These projects were selected by the Youth Advisory Board.
- Our Youth Advisory Board worked on a variety of projects in 2023, from discussing Save the Children's strategy to shaping our COVID-19 inquiry submission and speaking to the media and politicians about the climate crisis.

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A huge thank you to all the young people involved: the young peacemakers, youth advisors, and those involved in the Potential not Poverty project, for their time, commitment, energy, and for engaging with us so we can work together on what matters to them.

Engaging with young people

Our engagement with young people ensures that our work is in line with what they are demanding, so that we can more effectively be their ally and bring about lasting change that's meaningful and relevant.

- In 2023, young people with experience of conflict from Afghan, Somali, South Sudanese, Sudanese, Syrian, Ukrainian and Yemeni diaspora communities in England came together to form the Young Peacemakers' Assembly. The group has prioritised campaigning for the rights of refugee children and children in conflict.
- Our Youth Advisory Board is made up of 18 young people aged 12–18 from across the UK. It works closely with our leadership team and with staff from across the organisation. It's aim is to ensure we amplify young voices and hold children's rights at the heart of everything we do.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

Our high-profile supporters enable us to share our purpose of lasting change for and with children more widely. When a deadly earthquake struck Türkiye and Syria in February, Adil Ray, Jon Snow, Laura Bailey, Poppy Delevingne, Luke Evans, Myleene Klass and many other high-profile individuals were quick to help promote our appeal. We marked the first anniversary of the Ukraine conflict with Dom Joly and Natasha Kaplinsky conducting interviews to promote our film 'Home' (see page 20), which was amplified by several other ambassadors on social media.

In March, Misan Harriman, Joely Richardson and several digital first creators promoted our Wonderbooks subscription series. We worked with more digital first creators on our Together Through This Crisis petition and Kingsmill Toast Talk campaign.

In the summer, Leona Lewis and Arlene Phillips helped kick off our Baby, Bank on Us campaign with *The Sun*. As well as travelling to the front line in Ukraine to raise awareness of our work there, Dom Joly dressed as Mickey Mouse to lead a protest against the government's Illegal Migration Bill. Several VIPs attended a screening of the Barbie movie to celebrate our partnership with Warner Brothers. Misan Harriman also worked tirelessly to draw attention to the Horn of Africa famine, including speaking with James O'Brien on LBC.

When conflict escalated in Gaza and Israel, Misan Harriman again used Instagram Live to give a voice to those affected and since then, support from ambassadors and other high-profile supporters has continued to grow. Our baby bank campaign won more coverage with the help of Shetland star Ashley Jensen and England rugby legend Courtney Lawes. Isla Fisher secured the cover of *You* magazine following a visit to Scotland to highlight our work there. A host of stars attended the Winter Gala, which was hosted by Lauren Laverne and for which ambassadors Poppy Delevingne and Misan Harriman led the pledges, helping to secure almost £750,000. Christmas Jumper Day proved a huge success once again, with new stars like Fats Timbo and India Amarteifio joining more than 20 other celebrities involved in the campaign.

Engaging with ambassadors and high-profile supporters

We engage with our ambassadors and high-profile supporters via texts, calls, emails and in regular face-to-face meetings. This provides an opportunity for them to communicate their needs, concerns or ideas, and an opportunity for us to listen to what they wish to get out of their experience with Save the Children UK.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

Leona Lewis meets six-month-old Amelia* at a Little Village baby bank in London.

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PUBLIC SUPPORT

In 2023, our incredible supporters gave monthly gifts, organised events, took on fundraising challenges and backed our campaigns. More than 2.5 million people took part in our twelfth Christmas Jumper Day, raising £2.5 million so far to help us create lasting change for and with children in the UK and around the world.

By the end of 2023, supporters had raised over £2.4 million for our Gaza Emergency Appeal. The Disasters Emergency Committee Türkiye–Syria Appeal generated over £150 million, of which approximately 18% is allocated to Save the Children to be spent in 2023 and over the coming years. Our supporters raised a further £2.4 million for our response. Supporters continued to donate to our live appeals, including the Ukraine and East Africa Hunger Crisis Appeals. Our Emergency Fund raised £4.5 million and allowed us to respond to less widely covered crises.

Our campaigns are embedded in communities and powered by the UK public. Following the escalation of conflict in Gaza and Israel, we worked in coalition to demand a ceasefire – projecting our message onto the Houses of Parliament and raising the voices of the UK public with a petition with over 200,000 signatures.

We're extremely grateful that 930 generous supporters remembered us with legacies in 2023, totalling £19 million. These legacies highlighted the creativity as well as generosity of our supporters. One individual left us royalties from their literary works, another gifted their original illustrations from a storybook series. Many had been valued volunteers, including a supporter who played a pivotal role in setting up their local Save the Children fundraising committee in the 1970s. We also worked with hundreds of professional and personal executors whose assistance made sure that each person's special gift reached the children who needed it most.

Engaging with supporters

We engage with our supporters through a regular supporter survey, participatory research and by monitoring supporter calls.

We also engage directly with them via social media, phone calls and stewardship contact. We use our understanding of our audiences and supporters to keep their needs at the heart of all our communications and products, striving to deliver an experience that is meaningful and rewarding for them. Audience insight has led to us clarifying our purpose to create lasting change for and with children.

VOLUNTEERS

Our 3,230 volunteers contributed enormously in 2023: as community fundraisers, shop volunteers, campaigners, researchers and speakers. Our shop teams gave over 250,000 volunteer hours and our community groups raised more than £670,000. We continue to develop new volunteering opportunities that engage new audiences, including children and young people.

A massive thank you to all our volunteers, whose commitment, passion and energy are instrumental in the success of so many of our fundraising and campaigning activities.



PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

Francisco, Ashleigh and Rachel volunteer at the Save the Children Nicolson shop in Edinburgh

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Engaging with volunteers

We engage with our volunteers regularly to ensure they have the necessary support and so their opinions can help shape our decisions. We conduct an annual volunteer motivation and satisfaction survey: in 2023, 94% of survey respondents were satisfied with their volunteering experience. Their feedback informed how we run our shops, campaigns, regional fundraising, and our approach to recognising volunteer achievements.

OUR PATRON

For more than five decades, Her Royal Highness The Princess Royal has devoted her time to visit Save the Children's programmes, meeting with children and their families, as well as colleagues. In the UK, she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation she has continued to be a powerful advocate of our work. We are honoured to have had The Princess Royal as our President since 1970 and our Patron since 2017, and are thankful for her unwavering support.

A VIBRANT MOVEMENT OF SUPPORT

We seek to be a dynamic and vibrant cause that is supported by a diverse mix of individuals, communities and partners who contribute in rich and varied ways to our mission to create lasting change for and with children. In 2023 we made important progress on several fronts.

- We evolved our core fundraising and marketing programme. We tested a promising brand-building TV campaign which will roll out in 2024; we significantly enhanced the effectiveness of our supporter recruitment programme with new materials and using new channels; our relaunched face-to-face fundraising approach went from strength to strength; and a series of refits and relaunches across our retail stores are showing impressive results.
- We have continued to galvanise significant financial support for a wide range of humanitarian crises around the world, thanks to the outstanding generosity of the public and through our partnerships, in particular with the Disasters Emergency Committee. Furthermore, to mark the first anniversary of conflict in Ukraine we launched a short film with Aardman, which secured over 400 pieces of media coverage in its first week; we pushed the UK government to do more on the global hunger crisis through our presence at the Food Security Summit; and in response to the conflict in Gaza and Israel, we took a ceasefire petition with over 200,000 signatures to Parliament.
- We put children and people with lived experience at the heart of our public engagement work. We worked with UK teenagers to produce the film 'Potential Not Poverty' (see page 26), which they took to Parliament; our parent campaigners secured a huge win on childcare as the government committed to removing upfront costs for families on Universal Credit and announced £4 billion investment in the childcare sector; we recruited eight new members to our Youth Advisory Board; and we have put in place the measures needed to enable 16- and 17-year-olds to volunteer in our shops starting in 2024.
- We have continued to build partnerships and secure new alliances that can advance our mission. Notably we celebrated the tenth anniversary of our transformational partnership with GSK, which has reached 3.5 million children across 51 countries and raised over £5.6 million from employee fundraising alone; we supported pregnant women and newborn babies evacuated from Gaza thanks to an initiative funded by Community Jameel and partners in Egypt; and we continued to build the foundations for a bold and ambitious relationship with LEGO. We have also built a partnership with the National Trust, and hosted Youth Advisory Board-created activities across ten of their sites in Great Big Green Week to engage families and children on the climate crisis.
- We made big strides on some key initiatives to enhance our effectiveness in building public support. The replacement of our customer relationship management system is almost complete and a go-live date is set for 2024. We secured a new media agency relationship for 2024 that promises to enhance the effectiveness and integration of our media spend.

CHALLENGES AND LESSONS

Many factors combine to make the environment for fundraising and engagement tough, whether it's the challenge of navigating an uncertain and sometimes polarised social and political landscape, securing donations when the ongoing cost-of-living crisis continues to stifle charitable giving, or standing out from the many competing ways that people and partners can choose from to 'do good'.

To be a powerful force for children over the long term, we know we will need to focus on securing support from people and partners who can help us have the greatest impact; to create experiences that make us their first choice cause and make them want to stick with us for the long term; and to balance activities that can have an impact today with those that can keep making change long into the future.

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PEOPLE AND CULTURE

Save the Children UK is dedicated to making a lasting, positive impact for and with children. We can only achieve this ambition by empowering and supporting our extraordinary people, enabling them to contribute their best work throughout their careers with us.

OUR PEOPLE

As of 31 December 2023, we had 907 active employees at Save the Children UK and 3,230 people were working in a formal volunteering role.

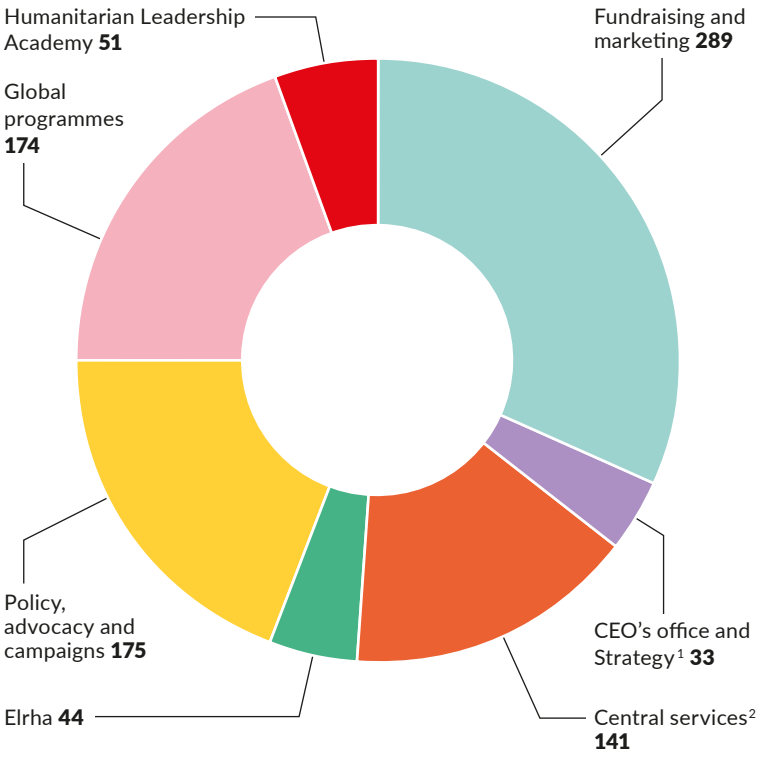
OUR CULTURE

Our culture transformation programme, Organisation of the Future, was launched in 2022, and designed to bring about deep change across our organisation. We are aiming to bolster our impact and increase our organisational resilience against unforeseen challenges by becoming truly agile in our mindset and practices. This involves introducing an adult to adult mindset across the organisation, which is about increasing autonomy and responsibility, releasing potential at individual level, and fostering more collaboration and learning across the organisation. We are supporting teams towards higher performance, and the development of a new way to manage and lead, including by piloting flatter structures with self-managed teams.

We are also focusing on increasing psychological safety in teams and groups, to increase belonging, learning and innovation. To do so, we have started introducing a new performance enablement approach across all teams. This involves connecting all teams to a clear purpose, aligned to our wider vision and strategy, and supporting them to continuously learn and assess their performance, as well as build on their strengths.

Additionally, we are preparing for the digital future by fostering collaboration among our workforce, refining processes, and leveraging technology to establish a workplace that is not only digitally ready but also data enabled.

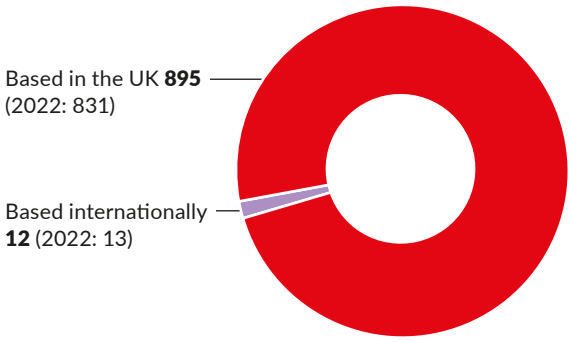
SAVE THE CHILDREN UK STAFF BY DIVISION IN 2023



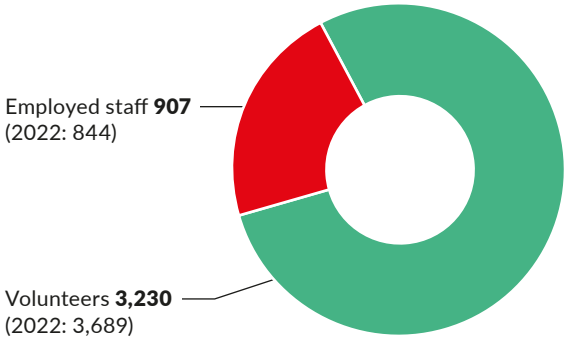
[1] CEO team, strategy and general counsel

[2] Finance, workplace, technology and people

SAVE THE CHILDREN UK STAFF BY LOCATION



SAVE THE CHILDREN UK ACTIVE EMPLOYED STAFF AND VOLUNTEERS



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Save the Children staff take part in Christmas Jumper Day.

EMBEDDING DIVERSITY, EQUITY AND INCLUSION

We are committed to making our organisation more inclusive, equitable and anti-racist. We now have a well-founded Diversity, Equity and Inclusion (DEI) ecosystem that consists of our DEI team, Wellbeing Team, a staff member with a specific inclusive programming role, DEI representatives and Staff Equality Networks.

Here are some examples of the progress we made towards implementing our *Free to Be Me* diversity and inclusion strategy in 2023:

- Successfully delivered training sessions on disability awareness, anti-racism, power and privilege, and inclusive resourcing, along with e-learning modules specific to our organisation. Along with this we designed dignity and respect in the workplace training sessions, offered to staff across the organisation.
- Launched a representative panels pool to ensure we have representative interview panels across the organisation.
- Introduced a guaranteed interview scheme for candidates with disability in our recruitment process.
- Increased ethnic minority representation at senior levels from 21% to 23.6%. This is proportionate to our overall ethnic minority population, which also increased by 3.2%.
- Women in senior grades now make up 71%, which is proportionate to our female population.
- Worked on getting diversity data from our staff by raising awareness of how this affects inclusion. We have run information sessions, provided written guidance, and made it easier to complete the questions in our HR information systems. We also introduced new questions that cover social mobility, refugee and carer status.

Please see information on our ethnicity and gender pay gaps on page 53.

WELLBEING

Between December 2021 and December 2023, we saw a 36% reduction in stress-related staff absences. While we've made significant strides, there's still room for improvement in further reducing stress levels among our teams.

We introduced specialised support for staff diagnosed with a neurodivergent difference, ensuring they receive the support they need. We are working collaboratively with our Diversity, Equity and Inclusion and People teams to facilitate appropriate workplace adjustments.

We enhanced our support programme by introducing team workshops focused on establishing psychological safety as a cornerstone of workplace wellbeing.

We conduct annual stress risk assessments, to provide insights into the overall wellbeing of our staff and guide our strategies to prevent stress from escalating into mental ill health or burnout.

We have increased the number of staff trained as mental health first aiders to 10% of our organisation. We've established robust governance to support them, along with a comprehensive protocol for providing peer support.

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Our volunteers and partner organisations work tirelessly, often in difficult circumstances. To ensure they have the best support available, we extended our Employee Assistance Programme to them as well.

Recognising the importance of physical health, we have partnered with our insurance provider to offer employees telehealth resources this year.

Throughout the year, we conducted workshops on budgeting, pensions, and financial health. These are part of our holistic approach to employee wellbeing, addressing financial as well as physical and mental health aspects.

In 2024 we will refresh our cross-organisational wellbeing working group. This group has been instrumental as a sounding board for staff concerns, allowing us to deliver timely and effective support.

ENGAGEMENT WITH STAFF

We are committed to understanding and empowering our workforce. This year, we partnered with an employee-engagement platform to create a personalised, efficient and confidential survey experience, gathering real-time feedback from colleagues across the employee lifecycle. This new approach involves using technology to ensure we ask the right questions at the right time, reducing survey fatigue, and ensuring colleagues have an anonymous route to voice their thoughts. Instead of relying on manual analysis, the platform provides us with insights into employee engagement, wellbeing, diversity, equity and inclusion, where we can quickly identify focus areas and take targeted actions more regularly throughout the year.

The People team is dedicated to improving every aspect of our employees' journey with Save the Children UK. From onboarding to leaving the organisation, and every step in between, we're focused on ensuring a seamless and positive experience at every turn. This commitment drives us to constantly reassess and refine our process with the needs of our employees front and centre. Our goal is to make each interaction as enriching as possible, empowering our teams to thrive and support the organisation's broader mission to create meaningful impact for and with children and their communities. Our new starter induction, onboarding experience, maternity leave policy, and recruitment process are all examples of this much more personalised, streamlined and enhanced offering.

BECOMING A STRONGER, MORE EFFECTIVE ORGANISATION

We continue to invest in making sure that our technology is fit for the long term. In 2023, we moved into the build phase of implementing our new customer relationship management system, which will enable us to be more supporter-centric and conduct supporter engagement activities. But we know that we need to do significantly more. In 2024 we will develop and implement a Digital, Data and Technology Strategy and roadmap to ensure that we achieve our strategic goals.

We're building on our successes, which include testing 'outcomes contracts' projects in Sierra Leone, where programmes are paid for based on the outcomes for children that they have delivered. Other successes include supporting local impact-focused start-ups in Rwanda and Save the Children Global Ventures – Save the Children's global impact investment arm. We refocused our innovation strategy to maximise the impact of our existing and potential resources, and generate new resources directed towards Save the Children's goals, by continuing to experiment, test and learn in new, innovative spaces. This includes continuing to build our organisational skills and capacity to support new models to fund impact for children such as 'impact funds', as well as influencing the sector and beyond to transform the way they invest with a child focus.



Sarah Aguti is Water, Sanitation and Hygiene Manager with our Emergency Health Unit in Zambia.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

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REDUCING OUR ECOLOGICAL IMPACT

We are embarking on an ambitious journey to transform Save the Children UK into an ecologically smart organisation, one that not only minimises our environmental footprint, but actively contributes to protecting nature and ecological justice through our work.

Our approach seeks to drive three outcomes vital for our evolution:

Outcome 1: reduced ecological harm

We have committed to reducing our 'direct' greenhouse gas emissions by 50% by the end of 2024 (compared to 2019) and are on track to meet this commitment.† We will go further by 2030. We will also drive initiatives to assess and/or reduce wider impacts including waste, water, paper, employee commuting, working from home emissions, and supply chain purchases. We are analysing our financial engagements – including pensions, banking, and investments. We are actively engaging with our peers, partners, and suppliers to propagate greener practices and avoid complicity in greenwashing ventures.

Outcome 2: internal confidence

Central to our ecological transformation is the empowerment and upskilling of our people. We are fostering an environment where staff can deepen their understanding of ecological breakdown, justice, and their impact on children and our mission.

Outcome 3: sustainable processes and risk management

We are fortifying our ways of working to be better equipped to respond to these crises for children and manage changing implications on us as an organisation. In 2023, for example, we launched our mandatory Environmental Social Screening (ESS) tool to identify whether new programme activities may have any negative environmental or social impacts. The tool provides an action template to mitigate any potential risks highlighted in the screening process.

PROGRESS IN 2023

With the support of sustainability consulting firm ZeroBees we further strengthened both our understanding of our negative impact on the environment and the solutions to reduce this harm.

PENSIONS AND INVESTMENTS

In 2023, we undertook an analysis of the likely scale of our financed emissions to better understand the broader impact of our operations. We have identified this as an area to work further on with our investment partners to understand our decarbonisation options, given the significance of this indirect source of emissions.

We also supported the National Council for Voluntary Organisations with their #FuellingPositiveChange campaign to end indirect financing of fossil fuels from the voluntary sector. We are committed to continuing to review our default pension fund and are supporting our staff to make informed decisions regarding their pensions – including providing guidance on how to switch to a fossil fuel free pension if they wish to do so. We are using our relationship with our pension provider and banks to make clear our expectations of them as a supplier, particularly when it comes to their ecological credentials.

WORK-RELATED TRAVEL

To deliver our mission for children across the world, travel remains essential. Nevertheless, we committed to reducing our air travel emissions to 70% less in 2023 than in 2019.

In 2023, our emissions from air travel were 990 tonnes of carbon dioxide equivalent (tCO_2e) (1.15 tonnes per employee) – a 71% reduction from our 2019 baseline. While we are pleased to remain within our reduction commitment for a second year running, our 2023 air travel emissions were higher than in 2022 (549 tCO_2e – 0.65 tonnes per employee). An increase was expected post-COVID-19, however we must remain vigilant. In 2024 we are reconsidering our definition of 'essential travel' and our travel policy.

† *The Greenhouse Gas Protocol uses 'direct' to refer to Scope 1 emissions only. However, in carbon commitments 'direct' is commonly used to refer to the emissions we are most able to control and connected to our impact on the environment. At Save the Children UK, our reduction commitment includes our Scope 1 emissions from sources we directly own or control (fuel used to power our sites and vehicles), Scope 2 emissions from energy generated elsewhere and supplied to us (electricity used in our offices and shops) and elements of our Scope 3 emissions created by our supply chain and via the goods and services we buy, notably the flights we take and hotel stays.*

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FLEET

We replaced our leased fleet of 18 diesel engine cars used by our regional teams and community fundraisers in the UK with hybrid engine vehicles.

EMISSIONS REDUCTION PROGRESS

Save the Children UK has measured the carbon emissions of our UK operations since 2011.

In 2023, most of our direct emissions come from our business travel and the use of our head office, four regional offices, and retail premises across the UK.

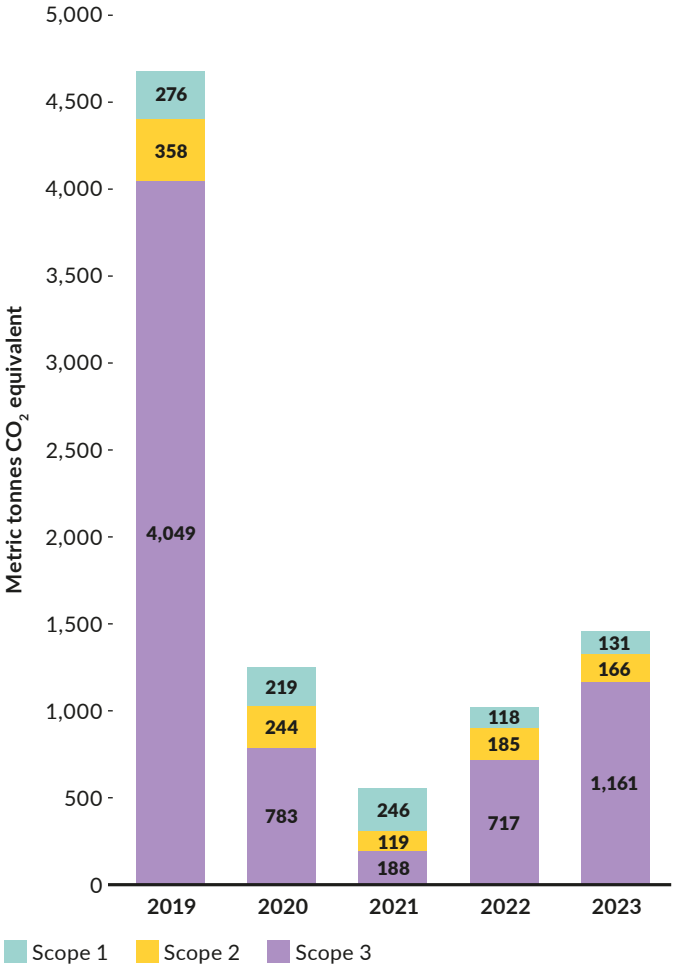
OUR EMISSIONS

Our analysis with ZeroBees estimates that Save the Children UK's 'direct' emissions were 1,458 tonnes of CO_2e in 2023 (Scope 1, Scope 2, and included sources of Scope 3).† This represents an intensity measure of 1.7 tonnes CO_2e per employee. See page 55 for our mandatory Streamlined Energy and Carbon Reporting (SECR) data. The required scope of SECR is limited compared to the more comprehensive discretionary analysis presented here.

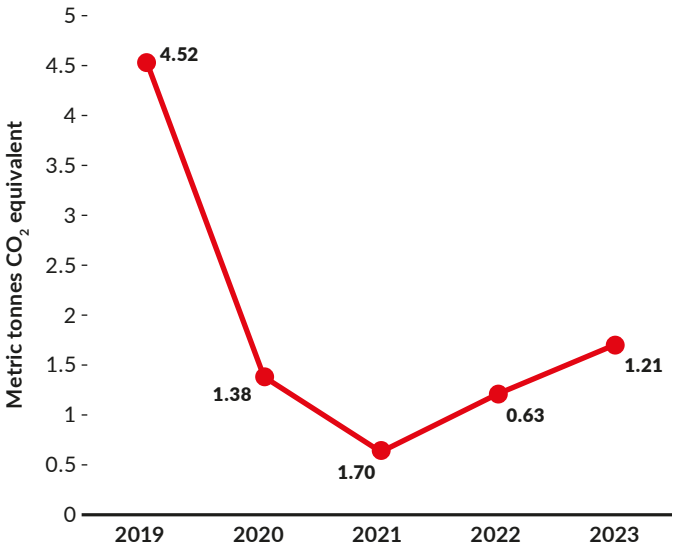
We also conducted a comprehensive assessment of a broader scope of emissions. This included emissions from remote working, employee and volunteer commuting, and emissions associated with our pensions and investments. However, we have identified a high margin of error in these estimates, rendering them unreliable for inclusion in our final figures presented here. Despite their omission from this report, this deeper analysis reflects our commitment to thorough data scrutiny and emissions reduction efforts beyond the immediate scope of the figures reported in our Annual Report.

OUR DIRECT CARBON EMISSIONS

CO_2 equivalent



Carbon intensity per employee



Note 1: This data differs from SECR data (page 55) and the figures we share with the Save the Children movement, which are both more limited in scope, but are nonetheless mandatory for us to report.

Note 2: Scope 3 emissions included in this 'direct' emissions graphic include those from business-related travel (excluding commuting) and hotel stays and Scope 3 electricity, natural gas, and other fuel types. The Scope 3 emissions sources that are currently excluded from our commitments and measurements are in some cases still being targeted internally for reduction interventions.

Note 3: Data for 2019–2022 have been adjusted in 2024, following methodology updates and efforts to improve our data quality. For example, we have revised our 2022 total down from a previously estimated 1,218 tCO_2e to 1,020 tCO_2e – mostly due to improved data on our Scope 1 gas use in 2022. Totals may not add up exactly due to rounding.

† *The Greenhouse Gas Protocol uses 'direct' to refer to Scope 1 emissions only. However, in carbon commitments 'direct' is commonly used to refer to the emissions we are most able to control and connected to our impact on the environment. At Save the Children UK, our reduction commitment includes our Scope 1 emissions from sources we directly own or control (fuel used to power our sites and vehicles), Scope 2 emissions from energy generated elsewhere and supplied to us (electricity used in our offices and shops) and elements of our Scope 3 emissions created by our supply chain and via the goods and services we buy, notably the flights we take and hotel stays.*

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FINANCIAL PERFORMANCE

We are extremely grateful to all our supporters for their continued generosity across all areas of our work despite the challenging economic times, and we are committed to ensuring our income is used efficiently, effectively, and responsibly by making every pound count.

HEADLINES

Our total income in 2023 was £296 million and our total spend was £295 million, an increase of £2 million and £9 million respectively on the previous year.

	2023 (£m)	2022 (£m)	Increase
Restricted income	215	215	–
Unrestricted income	81	79	2
Total income	**296**	**294**	**2**
Restricted spend	216	216	–
Unrestricted spend	79	70	9
Total spend	**295**	**286**	**9**

INCOME

At a total level, our 2023 income was broadly flat compared to 2022. However, in the last two years we have seen extraordinarily high levels of emergency appeal income, through our own fundraising and funds raised through the Disasters Emergency Committee (DEC). (Total emergency appeal income 2023: £40 million and 2022: £57 million) Excluding emergency appeal income, our underlying financial performance in 2023 has seen growth mainly through our institutional donors as we continue to grow and diversify our income streams.

INSTITUTIONAL DONORS: £176 MILLION (2022: £165 MILLION)

The income we receive from our institutional partners is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world, with our largest funders being the Foreign, Commonwealth & Development Office (FCDO), the World Bank and the United Nations. Our overall income in the year from institutional partners increased by £11 million compared with 2022. This was mainly driven by growth in our FCDO portfolio, having commenced a number of new programmes in 2023 (for example, a £25 million education programme in the Democratic Republic of Congo (DRC)) and strong spend on World Bank programmes in Ethiopia, DRC and Yemen. This was offset by a reduction of income from the United Nations, as large programmes in Ethiopia came to an end, and lower DEC income.

INDIVIDUALS, LEGACIES AND COMMUNITIES: £66 MILLION (2022: £68 MILLION)

Income from individuals and communities was £47 million, down £4 million on 2022. Regular donations from individuals remained flat at £32 million compared with 2022. One-off donations were £4 million lower than 2022, however 2022 was exceptionally high due to the Ukraine and Pakistan emergency appeals. We received £19 million legacy income in 2023, an increase of £2 million on 2022.

CORPORATES, MAJOR DONORS AND TRUSTS: £34 MILLION (2022: £45 MILLION)

Income from major donors and trusts was £18 million, an £8 million decrease on 2022 driven by lower emergency appeal income in 2023. Income for the Ukraine appeal and our Emergency Fund were exceptionally high in 2022. Strong relationships with our corporate partners generated £16 million in 2023 which is down £3 million compared to 2022, which was particularly high due to our corporate partners' generous response to the Ukraine appeal.

TRADING: £9 MILLION (2022: £9 MILLION)

Our shop income was £9 million, in line with 2022. Despite having fewer shops open and trading than in 2022, income held strong as revenue grew to offset the income lost from the shops we closed which were making a lower contribution.

EXPENDITURE

Our total expenditure in 2023 was £295 million, an increase of £9 million on the previous year.

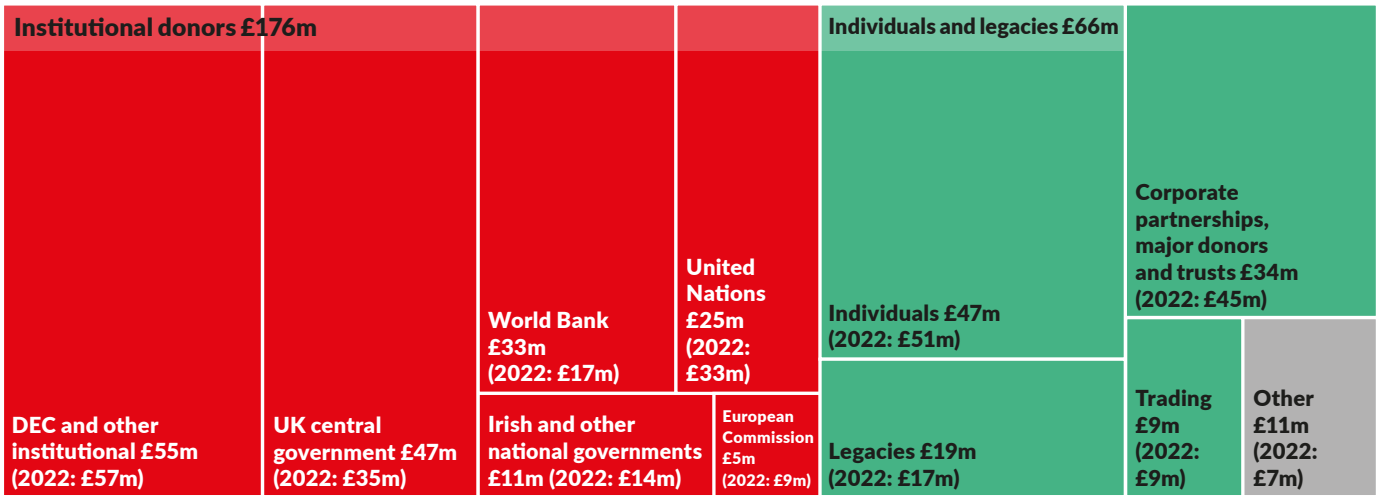
CHARITABLE ACTIVITIES: £256 MILLION (2022: £251 MILLION)

Our charitable expenditure includes £211 million directly on programmes internationally and in the UK; £10 million directly on advocacy and awareness; and £35 million on support costs for our programme, advocacy and campaigning work. The diagram on page 42 shows our charitable expenditure broken down by thematic areas.

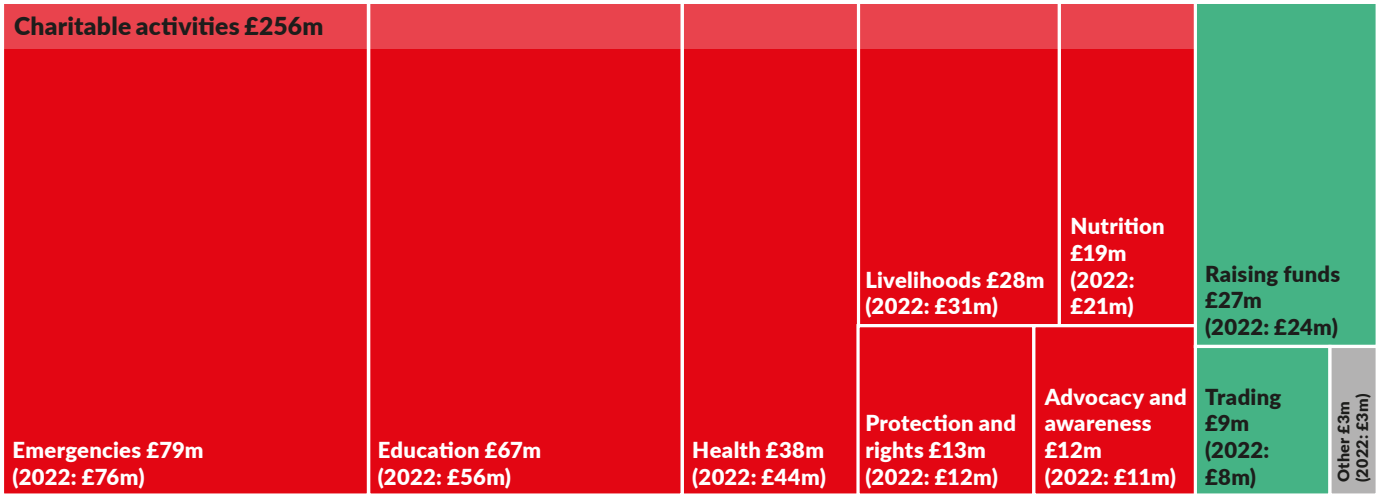
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2023 INCOME AND EXPENDITURE

Income £296 million



Expenditure £295 million



We spent £79 million responding to emergencies in 2023, which includes grant expenditure of £31 million through the Start Network, and £12 million through our humanitarian entity Elrha. This was £3 million higher than in 2022 as we continued to respond to existing crises such as Ukraine, while also responding to new crises in 2023 including the earthquake in Türkiye and Syria.

Our expenditure on education increased by £11 million to £67 million, driven by a World Bank programme in Yemen which aims to improve access to basic education, improve conditions for learning and strengthen the capacity of the education sector in selected districts, and an Education Cannot Wait programme focused on educating refugee and host community children in Uganda. Our health spending decreased by £6 million to £38 million following a reduction of DEC Ukraine spend compared to 2022 and the end of the EU resilience programme in Yobe, Nigeria. Spending on livelihoods decreased by £3 million to £28 million as spending on the Somalia drought response and our Bangladesh Suchana programme tailed off.

Our spending on advocacy and awareness in 2023 was £12 million, £1 million higher than in 2022. Included within our health spend in 2023 is £1.8 million on our multi-year global health advocacy programme from the Bill & Melinda Gates Foundation.

RAISING FUNDS: £36 MILLION (2022: £32 MILLION)

Our spend on raising funds has increased in 2023 as we invest in future sustainable growth. We stepped up investment in a programme to replace our aging customer relationship management system and we scaled up our face-to-face fundraising activity. We spent £23 million (£21 million in 2022) on the direct costs of running our

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diverse fundraising channels and activities. We are continuing to increase our investment as our financial outlook recovers, to try and bring spend back toward our pre-pandemic levels to drive income growth.

Direct spend on our retail shops was £8 million (£7 million in 2022) . This increase was driven by one-off benefits in 2022, one-off spend in 2023, inflation and increasing the number of paid shop managers. In 2023, our shops delivered £0.1 million profit compared to £1.1 million in 2022, partly due to the impact of higher overhead allocated costs. Profit is expected to improve in 2024 as investment pays back and the impact of one-off costs and benefits is lower year on year.

SUPPORT COSTS

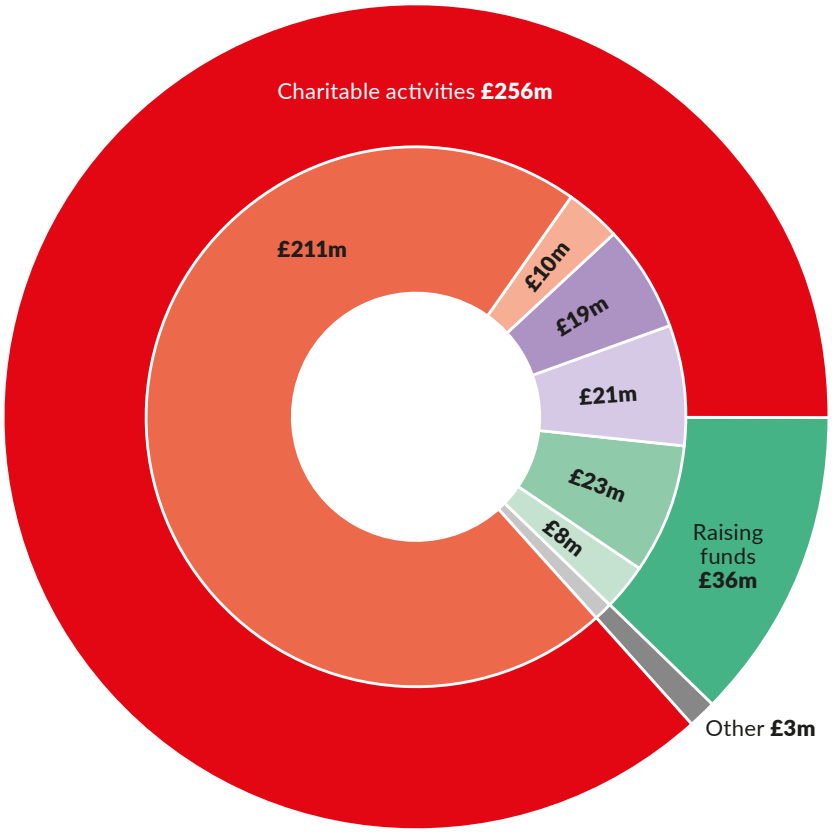
In accordance with the statement of recommended practice for charities' accounting and reporting, our support costs are allocated over the functional areas they relate to, as shown in the pie chart below.

Management and administration support costs excluding pro-bono professional and legal services were £19 million in 2023, an increase of £1 million on the previous year. This is driven by inflationary and wage pressures. Pro-bono professional and legal services received were £2 million in 2023, £1 million higher than 2022. Total management and administration support costs include spending on finance, human resources, technology, legal and governance activities (such as child safeguarding), protection against fraud, and audit costs. While these costs are a necessary part of running the organisation, we continually look for efficiencies.

Programme support costs – those incurred in designing and monitoring programmes, and by Save the Children International in delivering programmes – were £19 million in 2023, a £3 million increase on the previous year. The increase is due to providing additional strategic investment funding to Save the Children International and salary increases in the year.

2023 EXPENDITURE

Total expenditure £295 million



Global programming
Advocacy and awareness
Programme support costs
Management and administration
Fundraising
Trading
Other

Charitable activities – £256m includes
£211m on global programming
£10m on advocacy and awareness
£19m on programme support costs
£16m allocation of management and administration support costs

Raising funds – £36m includes
£23m fundraising costs
£8m trading costs
£5m allocation of management and administration support costs

Other – £3m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

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TOTAL FUNDS

As at the end of 2023, the closing funds are made up of the following balances.

	2023 (£m)	2022 (£m)
General reserve	46.3	42.5
Revaluation reserve	5.3	3.3
Designated funds	4.4	4.4
Pension reserve	(0.1)	(0.1)
Total unrestricted funds	**55.8**	**50.2**
Restricted funds	12.5	14.7
Endowment funds	5.3	4.8
Total restricted funds	**17.8**	**19.5**

UNRESTRICTED FUNDS

General reserves of £46.3 million are the part of the charity's funds that are not restricted or designated to any particular purpose. (See reserves policy below for further details.) The balance on the revaluation reserve is the unrealised gain on our investment portfolio. Designated funds are funds that have been invested in fixed assets, associates or programme-related investments or have been allocated for a specific purpose by the Trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve these funds are not readily available so are not included in the calculation of general reserves.

RESTRICTED FUNDS

Restricted funds of £12.5 million represent funds that have been given for a particular purpose. The trustees have no discretion to reallocate them for other use. See restricted funds note 22 of the financial statements for further details of how this balance is split by region or specific appeal. These balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset, the fund is permanent and only the income generated by the fund can be expended.

RESERVES POLICY

Our reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds at the discretion of the trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income; allowing time to adjust our cost base or business model
- incurring one-off costs that are not covered from donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are matched by highly liquid investments so that we can draw on them quickly if necessary. See further details in the Investments section below.

The Board assesses the reserve range annually and ahead of approving the annual financial budget the Board reviews a detailed risk assessment to determine the level of general reserves appropriate for the charity to maintain. When setting the level of general reserves, the Board also considers the potential liability relating to the Save the Children Defined Benefit Pension Scheme benefit review (see note 25h of the financial statements). In the event of an adverse ruling, this would primarily be funded through a multi-year payment plan that would be agreed with TPT Retirement Solutions Limited. We estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit. The trustees have determined to increase general reserves annually until 2025 (when a court ruling is anticipated to be made).

Having considered both the detailed risk assessment and an increase appropriate for this potential liability, the Board considered that a general reserves target range of £30–£40 million was appropriate for 2023. Our closing 2023 reserves of £46 million are above the range because of strong financial performance in 2023, lower than expected award costs, and the release of financial provisions that are no longer required. The Board considers that a range of £38.5–£43.5 million is appropriate for 2024.

INVESTMENTS

The trustees have the authority conferred by our Memorandum and Articles of Association to invest as they think fit any of Save the Children's money that is not immediately required.

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice when markets are weak. We maintain the majority of our investments in equities and bonds to have the opportunity of long-term growth. The

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portfolio reported a gain of £1.8 million in 2023, following a loss of £3 million in 2022. Across all our investments the current market value is £5.3 million higher than their book cost in 2023.

PENSION SCHEME

The valuation of Save the Children's Defined Benefit scheme (a scheme in the TPT Retirement Solutions Limited umbrella trust), for the purposes of Financial Reporting Standard (FRS) 102, showed a funding surplus of £2.8 million at the end of 2023 (2022: surplus of £5.6 million). This surplus has not been recognised on the balance sheet as the charity is unable to recover the surplus through either reduced contributions or refunds from the scheme. The FRS102 valuation is different from the triennial actuarial valuation which assesses the level of pension contributions required to meet future obligations of the scheme. The actuary's last triennial actuarial valuation was performed in September 2020 with a funding update in September 2021. The September 2021 valuation showed a surplus of £12.1 million and it was therefore agreed with TPT that we would stop making deficit contributions in October 2021. The actuary is currently performing an updated triennial valuation as at 30 September 2023 with a final report due later in 2024. As detailed in note 25h of the financial statements, a review of scheme benefit changes is currently being undertaken.

We also have a Defined Benefit Growth Plan Scheme in the TPT, which had a deficit of £0.03 million at the end of 2023 (2022: deficit of £0.06 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children UK works in partnership with many organisations and during the year we provided grants to the value of £181 million. The largest amount of grant money was given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate emergency relief. Such grants help local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work with children. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

We closely monitor our financial performance throughout the year. The executive directors review regular reporting on income, spend, reserves, debt and cash flow positions to achieve Board-approved targets. On a quarterly basis we provide financial analysis for review by the Finance Committee and Board. We also undertake two in-year reforecasts to enable us to review and respond to changing financial circumstances as and when they arise.

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. There are no external borrowings, and processes are in place to monitor cash flows in order to minimise liquidity risk. Goods and services purchased are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. In addition, we review assets and liabilities by currency on a monthly basis and if required reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children's financial performance and the General Reserves position for 2023. The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements ('the going concern period'), which considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

These forecasts assume that there will be increased pressures on the economy, in particular inflationary pressure, increasing costs. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecast economic climate and its potential impact on our various sources of income and planned expenditure. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, as detailed in our General Reserves policy, we hold General Reserves to provide cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We will continue to monitor the situation as it unfolds and manage our finances accordingly.

Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

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ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

At Save the Children UK, risk management principles are embedded in everything we do – from how we set strategic priorities to how we deliver successful initiatives with children and families. Our approach is to take informed risks while being clear about the need to protect people and assets and ensuring we comply with relevant legal and regulatory frameworks.

The Board of Trustees, supported by our Head of Enterprise Risk Management and Executive Leadership Team, identifies the principal risks that have the potential to jeopardise achievement of our strategic goals. The management of these risks is monitored regularly throughout the year in relation to the Board's risk appetite. Members of the Executive Leadership Team are accountable to the Board for managing the principal risks.

Having in place a sound system of internal control equips us to be agile and responsive to changing threats and priorities. The Audit and Risk Committee (a committee of the Board of Trustees) regularly monitors and scrutinises information about the effectiveness of key risk controls and reports its findings to the Board of Trustees.

WORKING TOGETHER TO MANAGE SHARED RISKS

The Save the Children movement operates through a networked structure, and members share exposure to financial, operational and reputational risks. We work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. In 2023, a new and dynamic dashboard was launched to facilitate the sharing of risk assurance information relating to our international programming work. We also started working across the Save the Children movement to align around a common risk management framework which will further strengthen our approach to risk sharing.

INTERNAL AUDIT

The Internal Audit function is an important part of how we assess the effectiveness of the policies and processes in place to manage key risks. The findings and recommendations from audits help us to identify areas for improvement. In 2023, our internal audit function was delivered by Save the Children International's Global Assurance function. Risk-based audits were conducted across key areas such as Diversity and Inclusion, Subsidiaries and Managed Entities Governance, Customer Relationship Management, and Strategy. Internal audit reports were shared with the relevant Executive Directors, as well as the Audit and Risk Committee of the Board. Progress on agreed audit actions was monitored by the Audit and Risk Committee.

CONTINUOUS IMPROVEMENT IN HOW WE MANAGE RISK

Building on the work started in 2022 to refresh our risk management framework, we have been strengthening accountability through the 'three lines' model (see diagram on page 47). The intention is to empower managers to incorporate risk management in a dynamic way to make effective decisions and meet their objectives. We will continue integrating risk management in organisational development work to ensure that our culture, processes and practices are fit for purpose and fit for the future.

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ROLES AND RESPONSIBILITIES FOR MANAGING RISK

Role	Responsibilities
Board of Trustees	• Responsible for management and control of the charity • Sets mandate and commitment for risk management and appetite • Leads risk management culture
Audit and Risk Committee of the Board	• Oversight of financial control and risk management, assurance and control effectiveness
Executive Leadership Team **Thematic management groups**	• Implementation of the risk management framework to ensure effective management of risks in relation to Save the Children UK's objectives • Drive for continuous improvement in risk management
1: Day-to-day risk systems and controls — Management, staff, volunteers, partners 2: Management assurance — Subject-matter experts and risk team 3: Independent audit and assurance — Internal and external audit	**'Three lines' model** • Line 1: risk ownership and control: maintaining an effective risk management and control environment as part of day-to-day operations • Line 2: central monitoring of key risks by subject-matter experts and divisional functions • Line 3: independent internal and external audits to test design and operating effectiveness of systems and controls
Identify risk → Analyse risk → Evaluate risk → Manage risk → Review risk	• Risk process: all employees, partners and volunteers contribute to managing risk within their division or area of subject-matter expertise
Enterprise Risk Management Team	• Provide tools and methodology to support effective risk management

PRINCIPAL RISKS AND UNCERTAINTIES IN 2023

The global uncertainties and volatility witnessed in 2022 continued throughout 2023. New and ongoing conflicts, natural disasters and rising costs drove up the need for our support and presented a challenging operating environment. We have continued to monitor the effects of economic turbulence on our own finances, kept our expenditure under close control and increased our fundraising activities.

Save the Children's strategy and international operating environment expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to work in conflict-affected and fragile states, and in humanitarian emergencies. During 2023, we continued to work closely with the Save the Children movement and our funding partners to monitor and manage the risks to our international programmes.

The table on pages 48–49 sets out the principal risks monitored by the Board of Trustees during 2023, and how the risks were addressed over the course of the year.

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MANAGEMENT OF PRINCIPAL RISKS IN 2023

Principal risk	Risk mitigation strategy
Demand for our services We can't keep up with the demand for our services and our impact is diluted as a result.	COVID-19, conflict, climate change and the cost-of-living crisis have created conditions where we are witnessing a reversal of progress on child rights globally and in the UK. During 2023, we increased investment in fundraising and innovation to maximise our impact and we evaluated our programmes to keep learning and improving. Across the movement we strengthened our collaboration through a commitment to global priorities and systemic solutions.
Shifting the power We fail to deliver impact because we have concentrated power and resources in our own hands and not the hands of those best placed to realise children's rights.	Shifting the power is an ambitious goal for the Save the Children movement and we continued to contribute to this important transition through three key workstreams: equitable partnerships to boost and empower local capacity, child voice and participation to increase the influence and agency of children, and decolonising our communications to amplify children's stories from within their communities.
Global political climate Political issues/developments cause major rupture or undermine the Save the Children movement's relationship with a country, affecting key funding sources or our ability to speak out.	Many countries where we work are increasingly restrictive of civil activity. We work in coalition with other organisations to speak out in the UK on the restrictions we are witnessing. Across the Save the Children movement we continuously assess changes within individual countries and review our position accordingly to ensure we safeguard our ability to deliver programmes for children and their families.
Safeguarding children and families Children or adults may be harmed as a result of involvement with our activities and/or people.	In 2023, we continued to strengthen our approach to safeguarding by ensuring staff are adequately trained and by using our network of safeguarding leads to raise awareness and support teams across the organisation. We have been promoting a culture where people feel safe and confident to raise concerns and report appropriately. This means we are likely to see reporting increase, which is a measure of the strengthened control framework rather than safeguarding incidents increasing. Our incident reporting and case management system enables us to analyse and detect trends and specific issues. We have also improved our arrangements to facilitate reporting by external organisations and individuals we work with.
Programming in complex environments We face a range of risks to staff safety and security in the complex environments where we work. Such environments also bring risks of fraud, bribery, corruption and inadvertently working with (or assisting) prohibited parties.	Save the Children International delivers most of our overseas programmes and is responsible for managing operational risks in the challenging environments where we work. We work closely with Save the Children International to monitor and mitigate those risks. We take great care to ensure that staff and volunteers travelling to carry out work for us are well supported to deal with the risks that they may face. Our procedures, staff training and tailored briefings are informed by country-specific risk assessments that are continuously updated by Save the Children International. This means that we can make decisions about travel safety based on comprehensive information about the risk level. We have in place systems that enable us to keep in touch with our people and track them as they travel, and we will be strengthening these systems during 2024. Ensuring that resources are protected from fraud and corruption is becoming more and more complex as the number of proscribed terrorist groups and sanctioned entities has increased. Across the Save the Children movement, we have strengthened our anti-terrorism and sanctions compliance controls, including our ability to monitor these risks.

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MANAGEMENT OF PRINCIPAL RISKS IN 2023 *continued*

Principal risk	Risk mitigation strategy
Meeting regulator, donor and supporter expectations Failure to meet the compliance expectations set by our regulators and donors would affect our ability to fundraise and operate in the UK.	We have dedicated professionals working in central functions as well as within our divisions to ensure that we understand our legal and regulatory obligations and are compliant across all our activities. Our policies and procedures are applied to guide decision-making and relevant training is provided to ensure all staff are aware of their responsibilities. Compliance is monitored and reported regularly to the Audit and Risk Committee of the Board.
Staff calibre We can't recruit, retain or motivate the calibre of staff we need to do our work well.	Our people are our biggest asset, and we are constantly evolving the way we create the conditions for staff to feel connected, valued and motivated. We seek feedback regularly to stay alert to how staff are feeling, and we continue to provide a programme of wellbeing support and flexible ways of working. In 2023, we increased access to psychological support. Towards the end of the year, we were pleased to announce the launch of a new compensation framework to ensure that we remain competitive as an employer to attract and retain the best people. A key part of our ongoing work will be to ensure that we have the right culture, structures, systems and processes in place to enable staff to work efficiently, effectively and autonomously towards meaningful goals.
Information security We suffer a catastrophic information or cyber security incident/breach.	Malicious cyber threats continue to increase in number and sophistication. This means that we have to keep adapting our cyber security arrangements. Over the course of the year, we renewed our Cyber Essentials certification, conducted independent security vulnerability assessments, carried out all-staff phishing simulations and had an externally coordinated cyber event simulation as a learning exercise to test and strengthen our incident response plans as we continued to evolve our maturity. Over the coming year, we will continue to invest in our cyber capabilities, carry out more cyber event simulations to test and strengthen our incident response plans, and continue to evolve our strategy and roadmap of enhancements.
Financial sustainability Our net income is insufficient to cover rising core costs or we face a major financial shock and can't maintain a viable budget.	We monitor our forecast and actual financial performance continuously and reports are provided quarterly to both the Finance Committee of the Board and the Board of Trustees so that we can take appropriate measures in good time. In 2023, we increased fundraising investment to drive income growth, while maintaining a strong level of general reserves. This gives us a degree of resilience and protection in light of uncertainty around the calculation of our defined benefit pension liability. See page 45 for more detail on financial risk management and performance.
Reputational damage Unfavourable media coverage has a knock-on effect on our impact, influence and income, with potential regulatory consequences.	We remain conscious of the intense scrutiny of charities and recognise that this can help drive accountability within the sector. We acknowledge that we may suffer reputational damage because our work is high profile, because of mistakes we make or because of incidents relating to other charities. This can undermine our mission and reduce the impact we are able to deliver for children and their communities. For these reasons, we invest in proactive media outreach, corporate communications, and stakeholder engagement.

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HOW WE WORK

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

At Save the Children UK, accountability is one of our organisational values and a thread that runs through our 2022–24 strategy. It is essential for building and maintaining the trust of our stakeholders, ensuring donor confidence and supporting our people to achieve our objectives. Every individual and team has a role to play in ensuring:

- **Dynamic accountability** – building meaningful relationships with children, supporters, staff and partners to understand their needs and establish and build on shared values.
- **Strategic accountability** – doing what we say we will do by having the greatest impact for children.
- **Responsible behaviour** – putting safeguarding, financial accountability and environmental responsibility at the heart of our decision-making and governance.

Our 2022–24 strategy calls on us to work more closely with children – listening more intently to them and further amplifying their voices. We are shifting power and resources to children, communities and our local partners, in the UK and globally. We are being bolder in speaking out and building the power of children and our allies to do so themselves too. Our Youth Advisory Board helps us hold true to putting children's rights at the heart of everything we do. We are also developing more strategic, shared-value partnerships to co-create lasting impact, and reinventing our relationships with our supporters, making them more meaningful and long-term.

We strive for the highest level of transparency in our reporting so our supporters can hold us to account. Since 2012, we have voluntarily published timely, detailed and comparable information on our programme spend through the International Aid Transparency Initiative, which is accessible to all our donors and supporters.

In terms of our work alongside and with Save the Children International and other Save the Children entities, in 2023 we completed a self-assessment against 55 accountability-related standards as part of the Save the Children Association's Mutual Accountability Protocol. The Mutual Accountability Protocol is a mechanism to ensure that all Save the Children entities meet essential minimum operating standards in areas such as governance, safeguarding, risk, finance, strategy delivery, resource mobilisation and people, as we challenge ourselves to continuously improve on our commitments to children, staff, donors and the public and the ways in which we collect, use and communicate our data. We use the Protocol to hold each other to account and to monitor our overall health as a Movement.

Please visit the accountability page on our website for further details on how we ensure accountability to our stakeholders.

GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we need to make sure we live up to the international standards and regulations relevant to our work. It's for this reason that we are signed up to numerous different platforms, movements and conventions that encourage the creation of a fairer, more equal and more sustainable world. For example, we are signed up as a participating organisation of the United Nations (UN) Global Compact – an initiative that aims to mobilise a global movement of sustainable companies taking steps to support the UN Sustainable Development Goals. Participants in the Global Compact seek to do this by aligning their strategies and operations with the Compact's Ten Principles covering human rights, labour practices, the environment and anti-corruption. We also endorse other initiatives focused on promoting inclusive and sustainable practices, such as Make My Money Matter, a campaign for more ethical pensions, and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation.

In addition, we are committed to supporting the implementation of internationally recognised conventions aimed at promoting the rights, and improving the lives, of children and families. These include: the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination Against Women, the Geneva Conventions, the UN Refugee Convention and the UN Convention on the Rights of Persons with Disabilities. For example, given that fragile states have consistently had some of the highest rates of child marriage, we decided in 2023 to conduct some research to better understand how to address child marriage and the gaps in existing guidance and governance processes in fragile contexts. As crises that increase the risk of child marriage become more common, understanding how best to achieve progress in these contexts is even more critical.

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SAFEGUARDING

We do everything we can to make sure everyone who comes into contact with us or our partners has a safe, supportive and empowering experience, free from all forms of abuse, harm and harassment. We are particularly vigilant when it comes to safeguarding children. We recognise the collective effort of all staff, volunteers and partners to ensure a healthy safeguarding culture.

Following significant progress in 2022 to strengthen our safeguarding systems, we have worked throughout 2023 to test and learn from our safeguarding practices and to build an evidence-based approach. We have also embedded robust and effective survivor-centred practices. This work included:

- The successful launch of our organisation-wide strategy and implementation plan 2023–24, and continual monitoring of key performance indicators to measure its success.
- Increasing awareness of our reporting mechanisms across the organisation while tackling potential barriers to reporting. Our success in this area is evidenced by the increased reporting in 2023 compared to 2022.
- Extending our online incident reporting webform to be accessible externally (including but not limited to volunteers, suppliers, partners and members of the public).
- Building on existing practices to enable safe and secure volunteering opportunities for 16–18-year-olds.
- Continued strengthening of our safeguarding leads model, increasing the number of leads across the organisation and supporting the identification of safeguarding risk and the improvement of safeguarding practices.
- Implementing and improving key processes and practices to improve and strengthen our work through partners in the UK.
- Tailoring training for staff responsible for direct delivery of our work in the UK on identifying risk and managing effective measures.
- Working internationally and across the Save the Children movement to ensure assurance of safeguarding across all areas of our funded work.

SAFEGUARDING INCIDENT REPORTS IN 2023

We take all safeguarding reports seriously and investigate all allegations of potential abuse and harm in accordance with our procedures. We are committed to taking a survivor-centred approach and to offering support to those affected. In 2023 we worked hard to identify and then remove potential barriers to reporting safeguarding concerns. Families who use our services often contact us for general safeguarding advice, unrelated to our work. In 2023, we received 54 of these types of concerns, which required support or referral (for example, to social services) but were not connected to our work. Of the 54 reports, one report alleged harm and this concerned sexual harassment by an adult volunteer towards another adult volunteer. The investigation is ongoing. Another 35 reports identified very low-level safeguarding concerns, including potential 'near misses' and development areas for our safeguarding system. None of these 35 reports alleged any harm. None of our reports in 2023 met the threshold for a serious incident reportable to the Charity Commission and none required reporting to the police.

INTERNATIONAL PROGRAMMING

We work with Save the Children International to deliver our internationally funded programmes. Together, we strive to ensure that the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its own trustees' report.

DIVERSITY, EQUITY AND INCLUSION

Save the Children UK was founded to defend the universal rights of children, including the right to equity, respect, and dignity. This is what we stand for as an organisation and a global movement – and it is the standard we must hold ourselves to, both in our organisational culture and in the work we do with and for children and communities around the world.

Our Diversity, Equity and Inclusion (DEI) strategy aims to build equity and inclusion for, and improve the experience of, our colleagues from marginalised communities. It will address deeply ingrained attitudes, practices, and power relationships, including the beliefs and behaviours that perpetuate systemic oppression, discrimination and inequity.

We want to embed diversity, equity and inclusion into everything we do, both internally and externally. We launched and implemented our DEI strategy in 2020 and since then we have worked systematically on building an inclusive and equitable workplace, tackling underrepresentation of marginalised groups and decolonising development and the way we work. We have made positive strides in these areas but we know we still have much more to do.

FUNDRAISING COMPLIANCE

We comply with all relevant statutes and regulations, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. We also comply with the Telephone Preference Service. We strive for best practice in fundraising by complying with a range of codes of practice and standards. This includes being a member of the Chartered Institute of Fundraising, being registered with

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the Fundraising Regulator, and adhering to the Fundraising Regulator's Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children UK can report a concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money. This includes working with philanthropists and corporate supporters, through our chain of charity shops, via volunteer community fundraising groups, using advertising on television and social media, through mass events such as Christmas Jumper Day, and by talking to our existing supporters. Our staff team conducts most of this activity, but we also engage professional fundraising agencies to speak to supporters on the phone, door to door, on the street and on private sites.

DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal Policy ensures that we do not compromise our mission and values when it comes to raising income and that we make decisions on whether or not to accept donations in view of relevant Charity Commission guidance. The Donation Acceptance Committee considers potential high-risk donations to Save the Children UK (see page 58). In 2023, we identified 64 potential high-risk funding opportunities from a variety of individuals, companies and trusts, across different sectors. We proceeded with 59 of these opportunities and turned down five due to concerns that the nature of the potential donors' activities conflicted with our work, values and commitment to children. The Donation Acceptance and Refusal Policy is reviewed formally every two years. The Policy and our External Statement, which are on our website, were reviewed, updated and approved by our Trustees in 2023.

TREATING SUPPORTERS FAIRLY

We have continued to ensure that supporters and members of the public are afforded the highest levels of support, respect and protection. Guidance for fundraisers on treating our supporters fairly, including protecting supporters in vulnerable circumstances, is followed across all our fundraising activities, and we train supporter-facing teams and our fundraising agencies on this. It is also a key consideration when we monitor our fundraising.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages professional fundraising agencies to undertake fundraising on our behalf through telephone and face-to-face fundraising, which are conducted on the street, door to door and at private sites. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising conducted on our behalf meets the highest standards, complies with all relevant regulations, and embodies Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of mystery shopping, site visits, call monitoring, contract monitoring and regular meetings, and we train fundraisers on our expectations. We report our findings to the Audit and Risk Committee of our Board on a regular basis.

COMMERCIAL PARTICIPATORS

Save the Children UK works with corporations that sell goods or services and donate a proportion of the proceeds to us – they are called commercial participators. In 2023, we benefited from 15 new commercial participator agreements and seven ongoing multi-year partnerships. This year, as in previous years, we have worked with companies in various sectors.

RAISING A COMPLAINT OR CONCERN

We know there are times when we do not meet the high standards we set ourselves as an organisation. When this happens, we ensure that the problem is investigated and steps are taken to prevent it from happening again.

We are continuously improving our fundraising and marketing practices, ensuring our supporters are at the heart of decisions about our fundraising. Nevertheless, we do receive complaints. We classify a 'complaint' as an expression of dissatisfaction in a specific aspect of our activities, addressed directly to us via email, letter, telephone or instant messaging services.

In 2023, our supporter-facing teams received 348 public complaints (465 in 2022). In the final quarter of 2023, we received 44 complaints in response to our messaging around the escalation of conflict in Gaza and Israel. The overall increase in fundraising complaints is proportionate to the increase in our face-to-face activity; this channel now brings in more than 50% of our new supporters.

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Regulator's complaints reporting guidelines, we are committed to fair, honest and open fundraising practice. No complaints were investigated by the Fundraising Regulator in 2023. For further details on our complaints procedure, please see our website.

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COMPLAINTS BY CATEGORY

Subject of complaint	Number
Governance, strategy and policy	7
Fundraising (gift administration)	111
Fundraising (methodology and solicitation)	222
Trading	4
Our work	3
Advocacy and campaigns	1
Total	**348**

OUR APPROACH TO PAY AND OVERHEADS

We are committed to being a kind, agile and inclusive organisation so that we can be the best version of ourselves to deliver for and with children. Securing the right people is key to delivering our strategy. One of the ways we do this is by paying our colleagues a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives. We have also signed the pledge to Show the Salary, are accredited by the Living Wage Foundation, and have committed to three key principles for pay:

- equality/fairness
- responsible financial management
- market competitiveness in line with the wider charity sector.

We pay all colleagues a living wage of at least £13.15 per hour in London and £12 per hour in the rest of the UK. From October 2022 to March 2023, we provided a £500 cost of living allowance to all staff below Executive Director level. Subsequently, in April 2023, a pay review took place and in agreement with Unite the union, colleagues earning more than £40,000 received a 5% increase, while those earning less than £40,000 received a 7% increase. Colleagues earning slightly above £40,000 received a staggered increase ranging from 5–7%. The Executive Leadership Team were exempt from these adjustments.

This year we've delivered specific recruitment training to promote fair and bias-free recruitment practices as well as encouraging colleagues to update equality and monitoring information. This has resulted in a reduction from 11% to 5% of people not declaring their ethnicity, as of April 2023. We publish our approach to pay, including details on our gender pay gap and ethnicity pay gap, in detail on our website. We're committed to closing both pay gaps and publishing our data every year.

GENDER PAY GAP

Save the Children UK is committed to achieving gender equality in pay. Through our programme, policy and campaigning work, we strive to support gender equality around the world. We are working towards ensuring that our organisation reflects the commitment to equality we demand of others.

The gender pay gap is the difference between the average hourly pay of female colleagues and male colleagues, expressed as both median and mean. In comparison to 2022, there was an increase in the gender pay gap for April 2023 for both median and mean pay. It is important to note that this is not related to unequal pay for equal work, but due to the composition of our workforce, particularly the disproportionate representation of males in senior grades compared to junior grades. As of 5 April 2023, our workforce was 72% female and 28% male. However, females make up almost 80% of the lowest paid quartile and only 66% of the highest paid quartile.

- The median pay for males was 5.4% higher than for females (3% in 2022). The national median gender pay gap (including both full and part time) is 14.3% according to figures from the Office for National Statistics.
- Mean pay for males was 7% higher than for females (4.9% in 2022).

ETHNICITY PAY GAP

The ethnicity pay gap is the difference between the average hourly pay of Black, Asian and Minority Ethnic (BAME) colleagues and white colleagues, expressed as both median and mean. We published our ethnicity data and pay gap for the first time in October 2020. Following pay reviews in May 2023, the ethnicity pay gap for both median and mean reduced. In April 2023, our colleague profile was 71% White, and 24% BAME, with no data available for the remaining 5%.

- Our median ethnicity pay gap as of 5 April 2023 was 1.6% (5.3% in 2022).
- Our mean ethnicity pay gap as of 5 April 2023 was 1.6% (3.8% in 2022).

There is a 6.2% (6.8% last year) pay gap between White and Black colleagues and -0.4% (4% last year) between White and Asian colleagues. There is still work to do to address intersectional pay gaps, particularly for Black females (14% pay gap compared to White males; this gap was reported at 23% in 2020). This gap is due to no representation at Executive Director level and the majority of Black female colleagues being in either Grade D or F roles.

We are committed to working towards closing the gender and ethnicity pay gaps further through:

- governance maintained through the Equal Pay Working group, which is comprised of the Executive Director for Organisational Effectiveness, Chief Financial Officer,

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Director of Diversity and Inclusion, Director of People, and Reward Partner.

- continuing to monitor data on gender and ethnicity pay gaps at division, department and job levels.
- taking positive action where appropriate and needed.
- requiring HR business partner approval for advertising any salary above the Save the Children UK salary band.
- additional approval for paying about the top of the Save the Children UK salary band.
- implementation of the new pay framework.
- increasing salaries to the market median when we implement pay reviews for 2025 and 2026 linked to performance.
- continuation of learning interventions on bias and how it manifests.

EXECUTIVE DIRECTOR REMUNERATION IN 2023

The Trustees delegate the day-to-day running of the organisation to the Executive Directors, who are considered the key management personnel. Compensation for all Executive Directors employed at Save the Children UK for the year ending 31 December 2023 is detailed in the table below.

Our Chief Executive Officer was paid a full-time equivalent annual salary of £143,000 in 2023. The pay ratio of our CEO's pay to our employees is as follows:

- Upper quartile (£54,863): 2.6:1 (2.7:1 in 2022)
- Median pay (£46,114): 3.1:1 (3.2:1 in 2022)
- Lower quartile (£38,500): 3.7:1 (3.9:1 in 2022)

Position	Responsibility	Actual gross salary 2023	Full-time equivalent annual salary	
			2023	2022
Chief Executive Officer Gwen Hines	Provides overall leadership to the organisation, working with the Board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£143,000	£143,000	£143,000
Executive Director of Global Programmes Adam Berthoud	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£118,450	£118,450	£118,450
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy and campaigning work, encouraging decision-makers in the UK and around the world to deliver for children.	£118,450	£118,450	£118,450
Chief Finance and Technology Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children, and responsible for the digital, technology and change team.	£130,000	£130,000	£130,000
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children UK through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£118,450	£118,450	£118,450
Executive Director of Organisational Effectiveness Pria Rai	Responsible for the recruitment, support and development of our team of 907 staff, and for initiatives to improve our people management capabilities and employee experience.	£123,600	£123,600	£123,600

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STREAMLINED ENERGY AND CARBON REPORTING

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January 2023 to 31 December 2023, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)', using DESNZ's 2022 and 2023 conversion factors as applicable. In some cases consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

We have run awareness-raising activities with staff around the importance of reducing carbon emissions. In our London and Cardiff offices we have been working to replace all fluorescent ceiling lamps with LED lighting and in the Belfast office we have added a hub of app-controlled electrical heaters to reduce unnecessary heating of the office when not in use.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

CARBON REPORTING

Category	2023	2022
Total energy consumption – used for emissions calculation (kilowatt hours)	**2,448,842**	2,494,573
Combustion emissions, scope 1 (tonnes of carbon dioxide equivalent (tCO_2e))	**119**	99
Purchased electricity emissions, scope 2 (tCO_2e)	**341**	347
Vehicle fuel combustion emissions, scope 1 (tCO_2e)	**12**	23
Vehicle fuel combustion emissions, scope 3 (tCO_2e)	**24**	18
Total gross reported emissions (tCO_2e)	**496**	486
Staff (full-time equivalent headcount)	**882**	844
Intensity ratio: staff (tCO_2e/staff member)	**0.56**	0.58

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STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

Save the Children UK is a member of the Save the Children Association (SCA), a global movement made up of 30 separate national members and Save the Children International (SCI). SCI was established in 2011 and has responsibility for implementing international programmes outside SCA's member countries through its network of 61 country offices and three independent national offices. SCI is registered as a charity in England and Wales, and SCA is its sole member.

SCA members are responsible for programming, advocacy and fundraising in their own countries, as well as overseeing the international work. Some members, including Save the Children UK, also design international programmes in conjunction with national donors, which are implemented by SCI. These members provide surge capacity to support the delivery of frontline programmes in emergency situations. Financing for international programmes is provided by 17 members, including Save the Children UK.

In November 2022, SCA launched Save the Children Global Ventures, a new entity designed to catalyse private sector investment to transform the lives of the world's most disadvantaged children and their communities. Building on the experience of Save the Children Australia's pilot social impact investment fund launched in 2020, Save the Children Global Ventures will address urgent problems by leveraging innovative finance models, technology-based solutions and our global platform, to support social enterprises and drive impact at scale, achieving transformational change for children.

SAVE THE CHILDREN UK

Save the Children UK is a charitable company limited by guarantee, incorporated under the name: Save the Children Fund. The charity's Articles of Association provide that its Trustees (who are also the Directors of Save the Children UK for the purposes of company law) are the only members of the charity. The business of the charity is governed by the Board of Trustees (whose members during the year are listed below). The Trustees are responsible for overseeing the management of all the affairs of Save the Children UK and delegate day-to-day management of the organisation to the Chief Executive and Executive Directors.

Save the Children Fund (1 St John's Lane, London, EC1M 4AR) is a limited company registered in England and Wales (178159) and a registered charity in England and Wales (213890), Scotland (SC039570) and Isle of Man (199).

BOARD MEMBERS*	COMMITTEES
Dr Tsitsi Chawatama-Kwambana (Chair) (On maternity leave from 28/07/2023)	N
Richard Winter CBE (Interim Chair; Hon. Treasurer; Co-Vice Chair)	F, I, N
Arabella Duffield (Co-Vice Chair)	A, D, S
Jason Allen (appointed 31/01/2024)	
Kitbir Chahal (appointed 31/01/2024)	
Catherine Doran	S, ST, A
Anne Fahy (Interim Hon. Treasurer)	F, I
Timothy Fallowfield OBE (appointed 23/02/2023)	A, F
Jessica Gladstone	D, S
Razia Khan	D, A
Laura King (appointed 31/01/2024)	F
Jane Long (appointed 31/01/2024)	P
Gordon McFarland (resigned 23/06/2023)	P
Dianna Melrose	N, W, P, SLT
Kajal Odedra	N, P
David Ripert (resigned 03/08/2023)	P
Babatunde Soyoye	F, A
Mark Swallow (retired 31/05/2023)	A, F, I

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS	COMMITTEES
Louise Hall	I
Stephanie Limond	I
Bruce Darton (appointed 27/02/2024)	A

* Trustee biographies are available on our website

COMMITTEE	CHAIR
(A) Audit and Risk Committee	Timothy Fallowfield OBE (appointed 01/06/2023, Mark Swallow retired 31/05/2023)
(F) Finance Committee	Anne Fahy (Interim Chair, appointed 31/07/2023, Richard Winter resigned 30/07/2023)
(I) Investment and Pensions Subcommittee	Anne Fahy (Interim Chair, appointed 31/07/2023, Richard Winter resigned 30/07/2023)
(D) Donation Acceptance Committee	Jessica Gladstone
(N) Nominations Committee	Dianna Melrose
(P) People Committee	Jane Long (appointed 31/01/2024, Kajal Odedra appointed as Interim Chair 11/07/2023, resigned 31/01/2024, Gordon McFarland resigned 23/06/2023.)
(S) Safeguarding Committee	Catherine Doran
(ST) Safeguarding Trustee	Catherine Doran
(SLT) Staff Liaison Trustee	Dianna Melrose
(W) Whistleblowing Trustee	Dianna Melrose

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EXECUTIVE DIRECTORS as at 31 December 2023

Gwen Hines	Chief Executive Officer
Adam Berthoud	Executive Director of Global Programmes
Francis D'Souza	Chief Finance and Technology Officer
Gemma Sherrington	Executive Director of Fundraising and Marketing
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Executive Director of Organisational Effectiveness

COMPANY SECRETARY

Bonike Bracewell (appointed 27/03/23)

Abra Edwards (appointed 04/10/22, resigned 27/03/23)

PRINCIPAL PROFESSIONAL ADVISORS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR
KPMG LLP
15 Canada Square, London E14 5GL

PRINCIPAL BANKER
National Westminster Bank
250 Bishopsgate, London WC1H 9NA

PRINCIPAL INVESTMENT MANAGER
Newton Investment Management Ltd
BNY Mellon Centre, 160 Queen Victoria Street,
London EC4V 4LA

PRINCIPAL LEGAL ADVISER
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

EXTERNAL AUDITOR

KPMG LLP has expressed its willingness to continue to act as auditor. A resolution to reappoint it, under section 485 of the Companies Act 2006, was approved at the Board of Trustees' meeting on 29 May 2024.

SAVE THE CHILDREN UK GROUP MEMBERS

Save the Children UK has five subsidiaries, of which the first three listed below are operational:

Elrha aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children UK and was established as an independent subsidiary charity in May 2018.

Save the Children (Sales) Limited aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and through trading new goods through our shops, branches and website.

Humanitarian Leadership Academy (Enterprise) aims to enable people around the world to prepare for and respond to crises in their own countries, and to generate income for Save the Children UK.

Humanitarian Leadership Academy was designed and developed within Save the Children UK and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children UK in 2019, and it no longer has any independent operating activity.

Medical Emergency Relief International (Merlin) aims to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities have now been fully transferred to Save the Children UK, after Save the Children UK became the sole member of Merlin in 2013. As a result, Merlin no longer had any operational activity. On 21 March 2024, the Trustees signed a deed of transfer, under which the remaining net assets of Merlin will be transferred to Save the Children UK. Following the transfer, Merlin will become dormant and final closure will be completed as soon as is practicable thereafter.

The results of each subsidiary are consolidated into the group accounts. For further details, see note 1 on page 68 and note 14 of the financial statements on page 80.

GRANT CUSTODIAN FOR START NETWORK

Start Network is an independent charity, with Save the Children UK acting as grant custodian for some of its work. Only income and expenditure of awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised in our accounts.

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HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees (Board) is responsible for ensuring that the organisation's activities are in furtherance of its charitable objectives and in accordance with UK law. The Board's work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out in the Standing Orders of Save the Children UK. As of 31 December 2023, there were eight women and three men on the Board, four of whom identify as people of colour.

The Board acts on advice and information from regular meetings with the Chief Executive and Executive Directors. Trustees are able to take independent professional advice if it helps them fulfil their role. We also agree and implement an individual induction programme for each new Trustee, covering all aspects of the role and the organisation.

In 2023, the Board held four hybrid meetings to review the charity's performance in delivering against our objectives in 2023 and our three-year strategy for 2022–24, to review the organisation's principal risks and progress on safeguarding and people and culture change, and to agree the budget for 2024.

The Board also consulted with the organisation's Youth Advisory Board and held several ad hoc meetings to discuss operational and financial matters with Executive Directors, including the charity's annual report and accounts. The Board also held an away day with Executive Directors that focused on the strategic direction of the organisation and the Board's objectives.

The Board has delegated specific responsibilities to six regular committees (Audit and Risk, Finance, Donation Acceptance, Nominations, People, and Safeguarding committees) and one subcommittee of the Finance Committee (Investment and Pensions) whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

The **Audit and Risk Committee** oversaw preparation of the 2022 annual report. It reviewed the assurances provided to Trustees about the control environment in operation during 2023 and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2023 and received reports of completed reviews and agreed actions. The committee was updated on the management of key risks across a number of topics, including on programming, safeguarding, fundraising and marketing, health and safety, security, finance, insurance, whistleblowing, people management, fraud, advocacy and campaigns, information management (including cyber security), data protection, subsidiaries management and serious incident reporting. For more information, please see the Annual Trustee Risk Statement on pages 46–49. The committee met five times in 2023.

The **Finance Committee** reviewed the financial results from 2022 and in-year forecasts for 2023, discussed 2024–26 financial projections and supervised preparation of the 2024 budget. The committee also oversaw activities of the subsidiary entities, approved all recommendations to accept awards worth more than £10 million and reviewed quarterly treasury updates. The committee met four times in 2023.

The **Investment and Pensions Subcommittee** is a subcommittee of the Finance Committee. It met four times in 2023 to review the performance of Save the Children UK's investments, investment manager and pension funds.

The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity (and, ultimately, children) to accept a donation or not. The committee is made up of three Trustees and three Executive Directors. Information was shared with the committee by email throughout the year, and the committee met twice in 2023. More information on the donation acceptance and refusal process can be found on page 52.

The **Nominations Committee** finds and recommends potential candidates for appointment to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the existing Board. It manages a formal, rigorous, inclusive and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with the approach recommended in the Charity Governance Code. It also considers appointments to the charity's Board committees. The committee is responsible for promoting diversity and inclusion at Board level, and ensures that new trustees are recruited in a way that reflects these principles. It is also responsible for leading the trustee self-assessment and review process, including an annual review of the Chair's performance, as well as an annual trustee skills audit. The committee met four times in 2023.

The **People Committee** oversees the organisation's work on its people and culture, and performance and pay. It is accountable for reviewing the performance of the Chief Executive and makes recommendations to the Board on the remuneration, benefits and terms of employment of the Executive Team. In 2023, the committee oversaw progress on the development and implementation of a number of workforce priorities, including wellbeing, diversity and inclusion, and workforce development. It also scrutinises our people performance dashboard. The committee met three times in 2023.

The **Safeguarding Committee** oversees and scrutinises Save the Children UK's response to safeguarding incidents, including serious incidents of a safeguarding nature. The Safeguarding Committee also oversees the charity's safeguarding policies, the effectiveness of its safeguarding

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system and progress made on strengthening the organisation's safeguarding culture. The committee met four times in 2023.

TRUSTEE RESPONSIBILITIES

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

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and regulations. Company and charity law require the Trustees to prepare financial statements for each financial year. They are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company, and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company. They must ensure that the charity's financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

BOARD ACCOUNTABILITY

Since October 2018, as part of its commitment to transparency, the Board has published summaries of its quarterly meetings on Save the Children UK's website. The Chair updates staff on the Board's quarterly meetings and their outcomes. As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with employees whenever an ad hoc meeting is requested. They report back to the Board on staff interests and concerns at Board meetings or in the interim period, depending on the urgency of the matter being raised.

CHARITY GOVERNANCE CODE

In 2017, the Board resolved to adopt the Charity Governance Code ('the Code') for larger charities. The Code encourages charities to publish a brief narrative in their annual reports explaining how they have been applying it. In 2020, the Board conducted an external board effectiveness review, in accordance with the Code's recommendation that large charities conduct such a review every three years. The review was carried out against the updated Code, which reinforces its focus on the principles of integrity, equality, diversity and inclusion. The board effectiveness review was completed in April 2021, and an implementation plan was put in place to improve the Board's effectiveness in the five agreed areas the review recommended. These areas centred on: (1) identity and direction (on the charity's future role and strategy), (2) the Board as a team, (3) culture, diversity and inclusion, (4) efficiency of Board time, and (5) the charity's subsidiaries.

The Board will commission its second board effectiveness review in the second half of 2024 to ensure that Save the Children UK continues to operate within and develop high standards of governance.

PUBLIC BENEFIT

Our Trustees have a duty to develop strategic plans to ensure that Save the Children UK provides public benefit and achieves its objectives, as set out in our governing document. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, researching these matters, and public education about them. These objectives fall under the purposes defined by the Charities

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Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning future activities.

INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2023, as part of our policies governance framework, we reviewed and updated fifteen internal policies, including our Whistleblowing Policy and our Risk Management Policy. We also rolled out a new Political Activity and Campaigning Policy.

You can find out more about our organisation's policies – including those on safeguarding, donation acceptance and refusal, and open information – on the accountability page of our website.

MODERN SLAVERY

Over the course of 2023, we continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting, and publishing key policies as necessary; continuing to include modern slavery clauses in the contracts we enter into with other organisations to hold them and us to account; and testing and identifying areas in Save the Children UK's direct supply chain where there may be a risk of forced labour, human trafficking, or other forms of modern slavery. Save the Children UK uses funds and expertise to work closely with Save the Children International to identify, resolve and eliminate any modern slavery in the supply chain for our international programming work undertaken by Save the Children International.

Save the Children UK had no cases of modern slavery to report in its supply chain during 2023. In line with statutory requirements, we continue to publish our modern slavery statement on our website.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4–60 was approved by the Board of Trustees on 29 May 2024.

DocuSigned by:
Richard Winter CBE
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Richard Winter CBE
Interim Chair of Trustees, Save the Children UK

30-May-2024 | 16:09 BST

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SAVE THE CHILDREN FUND

OPINION

We have audited the financial statements of Save the Children Fund ("the charitable company") for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of Trustees, the Audit and Risk Committee, internal audit, and management, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, legacy income, and charitable income are recorded inappropriately, the risk that management may be in a position to make inappropriate accounting entries, and

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the risk of bias in accounting estimates and judgments such as the year-end legacy receivable balance.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who do not do so frequently, and those posted to unusual accounts combinations;
- Agreeing a sample of donations income to relevant supporting evidence and cash receipts;
- Agreeing a sample of year-end legacy receivable transactions back to relevant legal documents; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy;
- Testing a sample of transactions to verify the categorisation of income between restricted and unrestricted to ensure that revenue has been recognised in line with the criteria in the Charities SORP;
- Assessing significant accounting estimates, such as the year-end legacy receivable balance, for bias.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

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

OTHER INFORMATION

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 64, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

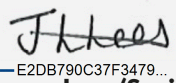
AUDITOR'S RESPONSIBILITIES

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

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.

DocuSigned by:

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Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

31-May-2024 | 17:02 BST

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STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

For each trustee in office at the date of approval of the annual report:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all of the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2023 £000**	Total funds year to 31/12/2022 £000
Income and endowments from:					
Donations and legacies	2	66,940	26,145	**93,085**	98,653
Charitable activities	3	–	189,136	**189,136**	182,901
Other trading activities	4	9,139	–	**9,139**	8,850
Investments	5	1,469	–	**1,469**	866
Other	6	3,219	(33)	**3,186**	3,086
Total income		80,767	215,248	**296,015**	294,356
Expenditure on:					
Raising funds					
Raising donations and legacies	7	26,198	716	**26,914**	24,372
Other trading activities	7	8,940	58	**8,998**	7,742
Investment management costs	7	391	3	**394**	123
Total raising funds		35,529	777	**36,306**	32,237
Charitable activities					
Nutrition	7	1,564	17,769	**19,333**	21,164
Livelihoods	7	3,677	23,830	**27,507**	31,452
Health	7	4,357	33,077	**37,434**	43,696
Protection and rights	7	1,303	11,550	**12,853**	11,773
Education	7	8,468	58,870	**67,338**	55,953
Rapid onset emergencies	7	11,690	67,648	**79,338**	76,635
Advocacy and awareness	7	9,370	3,118	**12,488**	10,782
Total charitable activities		40,429	215,862	**256,291**	251,455
Other	7	2,807	21	**2,828**	2,679
Total expenditure		78,765	216,660	**295,425**	286,371
Net gains/(losses) on investments	13	2,471	414	**2,885**	(2,685)
Movement on share of associate's surplus	14	39	–	**39**	(78)
Net income		4,512	(998)	**3,514**	5,222
Transfers between funds	21	768	(768)	**–**	–
Actuarial gains/(losses) on defined benefit pension scheme	25	391	–	**391**	(24)
Net movement in funds		5,671	(1,766)	**3,905**	5,198
Fund balances brought forward		50,159	19,516	**69,675**	64,477
Fund balances carried forward	21	55,830	17,750	**73,580**	69,675

All gains and losses recognised in the year are included above. All activities relate to continuing operations.

The restricted fund balances carried forward include £5,259,000 (2022: £4,845,000), which relates to endowment funds.

There were no new endowments in the year and there were gains in the funds in the current year of £414,000 (2022: losses £654,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2023

	Notes	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Fixed assets					
Intangible assets	11	**115**	228	**115**	228
Tangible assets	12	**1,553**	1,610	**1,553**	1,610
Investments	13	**45,973**	43,088	**46,248**	43,363
Associates	14b	**635**	596	**–**	–
		48,276	45,522	**47,916**	45,201
Current assets					
Stocks	15	**808**	424	**717**	348
Grant debtors	16a	**19,071**	20,649	**18,599**	20,122
Other debtors	16b	**51,168**	26,605	**50,752**	26,042
Short-term deposits		**15,089**	35,741	**15,089**	35,741
Cash at bank and in hand		**4,047**	13,970	**3,900**	13,829
		90,183	97,389	**89,057**	96,082
Creditors: amounts falling due within one year	17a	**(60,645)**	(66,556)	**(61,482)**	(67,153)
Net current assets		**29,538**	30,833	**27,575**	28,929
Total assets less current liabilities		**77,814**	76,355	**75,491**	74,130
Creditors: amounts falling due after more than one year	17b	**(1,115)**	(849)	**(1,115)**	(849)
Provisions for liabilities	18	**(3,085)**	(5,767)	**(3,085)**	(5,767)
Net assets excluding pension liability		**73,614**	69,739	**71,291**	67,514
Defined benefit pension scheme liability	25	**(34)**	(64)	**(34)**	(64)
Total net assets		**73,580**	69,675	**71,257**	67,450
Unrestricted funds					
General reserve	21	**46,321**	42,547	**46,554**	42,546
Revaluation reserve	21	**5,269**	3,296	**5,269**	3,296
Designated funds	21	**4,374**	4,380	**2,666**	2,783
Total unrestricted funds excluding pension reserve		**55,964**	50,223	**54,489**	48,625
Pension reserve	25	**(134)**	(64)	**(134)**	(64)
Total unrestricted funds		**55,830**	50,159	**54,355**	48,561
All restricted and endowed funds					
Restricted income funds	22	**12,491**	14,671	**11,643**	14,044
Endowment funds	23	**5,259**	4,845	**5,259**	4,845
Total restricted funds		**17,750**	19,516	**16,902**	18,889
Total funds		**73,580**	69,675	**71,257**	67,450

The accompanying notes are an integral part of these consolidated and charity balance sheets.

The financial statements on pages 65 to 100 were approved by the Board of Trustees on 29 May 2024 and signed on their behalf by the Interim Chair of Trustees and Chair of the Audit and Risk Committee.

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Richard Winter CBE
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Richard Winter CBE – Interim Chair
30-May-2024 | 16:09 BST

DocuSigned by:
Timothy Fallowfield
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Timothy Fallowfield OBE – Chair, Audit and Risk Committee
30-May-2024 | 16:07 BST

Company Number: 178159

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Net cash flows from operating activities	(a)	**(31,687)**	10,165
Cash flows from investing activities			
Bank interest received	5	**952**	356
Dividends received	5	**517**	510
Purchase of tangible fixed assets	12	**(319)**	(398)
Purchase of investments	13	**(2,291)**	(10,500)
Proceeds from sale of investments	13	**2,385**	5,071
Net cash movement in investments	13	**(94)**	429
Investment in associate	14b	**(39)**	78
Net cash provided by/(used in) investing activities		**1,111**	(4,454)
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	**(30,575)**	5,711
Cash and cash equivalents at the beginning of the year		**49,711**	44,000
Cash and cash equivalents at the end of the year		**19,136**	49,711

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTES TO THE CASH FLOW STATEMENT	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
(a) Reconciliation of net income to net cash flow from operating activities		
Net income	**3,514**	5,222
Investment income	**(1,469)**	(866)
(Gains)/losses on investments	**(2,885)**	2,685
Adjustment for pension funding	**601**	182
Payments to defined benefit pension scheme	**(240)**	(263)
Net loss on disposal of fixed assets	**–**	21
Depreciation charge	**375**	375
Amortisation charge	**113**	176
(Increase)/decrease in stocks	**(384)**	48
Increase in debtors	**(22,985)**	(731)
(Decrease)/increase in creditors falling due within one year	**(5,911)**	4,279
Increase/(decrease) in creditors falling due in more than one year	**266**	(179)
Decrease in provisions	**(2,682)**	(784)
Net cash flows from operating activities	**(31,687)**	10,165

(b) Analysis of cash and cash equivalents	At 01/01/2023 £000	Cash flow £000	**At 31/12/2023 £000**
Cash at bank and in hand	13,970	(9,923)	**4,047**
Short-term deposits	35,741	(20,652)	**15,089**
	49,711	(30,575)	**19,136**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION
The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' published in October 2019, and applicable United Kingdom law and accounting standards.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The group meets the definition of a public benefit entity under FRS 102. See page 59 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared on the going concern basis. The trustees have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements ("the going concern period"). These forecasts considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. These forecasts assume that there will be increased pressures on the economy, in particular inflationary pressure increasing costs. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecasted economic climate and its potential impact on our various sources of income and planned expenditure. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, we hold general reserves to cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We continually monitor our actual and forecasted financial performance and manage our finances accordingly. Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, Save the Children (Sales) Limited, Medical Emergency Relief International (Merlin), Humanitarian Leadership Academy (Enterprises) Limited, Humanitarian Leadership Academy and Elrha. The results of these subsidiaries are consolidated on a line-by-line basis.

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme-related investment as this investment is made directly in pursuit of SCUK's charitable purposes.

Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside of the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

Save the Children UK has treated the William Belmer Rush Foundation as an associate owing to the significant influence exerted over its financial and operating policies, and has accounted for the Foundation in the group financial statements on a net equity basis. The consolidated SOFA includes the group's share of the associate's surplus or deficit.

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. Only income and expenditure on awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised.

The charity has availed itself of Paragraph 4 (1) of Schedule 1 to the Accounting Regulations and has adapted the Companies Act formats to reflect the special nature of the charity's activities.

(B) COMPANY STATUS
The charity is a company limited by guarantee. The members of the company are the trustees named on page 56. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING
General funds
General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and that have not been designated for other purposes.

Designated funds
Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 21.

Pension reserve
Unrestricted funds include a pension reserve representing the defined benefit pension scheme and growth plan valuation, in line with FRS 102 section 28: Employee Benefits.

Restricted funds
Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in the notes to the financial statements.

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1. ACCOUNTING POLICIES (CONTINUED)

Endowment funds
Endowment funds represent assets received that may not be exhausted. Only the income may be expended. Net investment gains and losses are recognised against the relevant endowment fund.

Investment income and gains are allocated to the appropriate fund.

(D) INCOME

All incoming resources are included in the SOFA when Save the Children UK is entitled to the income, when receipt of funds is probable, and when the amount can be measured with sufficient reliability.

Donations and legacies
Donations
Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivering certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Legacies
Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement.

Reversionary interests involving a life tenant are not recognised until we are notified that the prior interest has ended.

Gifts in kind
Gifts for onward distribution
Gifts in kind donated for distribution are included at fair value and are recognised as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include food, clothing and medical supplies.

Gifts for resale
Gifts in kind donated for resale are recognised within retail income when they are sold.

Donated facilities and support
Gifts in kind also include pro bono legal and professional services, and campaigning and fundraising goods and services, which are all recognised when received or performed. These have been valued either at market value or, where a market value is not available or appropriate, an appropriate estimate of the value to the charity is made.

Volunteers
Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community fundraisers and ambassadors. However in accordance with the statement of recommended practice, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities
Grants from governments, agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance-related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

For payment by results contracts, where it has been agreed with the donor that we can retain the surplus, with no restrictions on how these are utilised, these have been reflected as a transfer between restricted and unrestricted funds.

Income from charitable activities also includes income from pay-outs of insurance policies where both the insurance policy and subsequent pay-out are intended for charitable activity.

Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where Save the Children UK is required to pre-finance projects.

Other trading activities
Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax.

(E) EXPENDITURE

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income, running our retail operations and managing our investments and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

Support costs, such as general management, governance, human resources, financial management, programme support,

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1. ACCOUNTING POLICIES (CONTINUED)

information systems and premises costs are allocated across the categories of charitable activities and costs of raising funds. The basis of the cost allocation has been explained in the notes to the accounts.

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

All expenditure of a capital nature on relief and development work overseas is expensed as incurred, as are capital items of expenditure in the UK with an individual asset value under £5,000. However, for leasehold property improvements where individual costs are below the stated capitalisation threshold but collective costs are above £5,000, these are capitalised at the time of purchase.

Fixed assets are capitalised at cost, which, for gifts of property, is taken as the value accepted for stamp duty purposes on transfer.

Depreciation is provided from the time assets are available for use, at rates calculated to write off the costs on a straight-line basis over their expected useful economic lives, as follows:

Freehold properties	50 years
Freehold property improvements	10 years
Leasehold property improvements – headquarters	Lease period
Other leasehold property improvements	5 years
Computer equipment	5 years

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Where expenditure on computer software meets the FRS 102 criteria for recognition as an intangible asset, the computer software including development costs is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains or losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries and programme-related investments are included in the balance sheet at their historical cost (ie, the fair value of the consideration given by the company) less, where appropriate, impairment provisions for any permanent decrease in value.

(I) STOCKS

Stocks are valued at cost less an allowance for obsolescence. Undistributed gifts in kind are recognised on the balance sheet as stocks at the fair value of those gifts at the time of receipt.

(J) PENSION COSTS

For defined benefit schemes, the amounts charged in expenditure are the costs arising from employees' services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments and the expenses of running the scheme. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within finance costs or credits similar to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in actuarial gains/losses on defined benefit pension schemes in the SOFA.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities (iBoxx Corporate AA 15+ years index), but a reduction in the rate has been made to take into account the duration of the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. A pension liability, if applicable, is presented separately after net assets on the face of the balance sheet. A pension asset, if applicable, is only recognised if recoverable by Save the Children UK.

The charity contributes to a defined benefit scheme, which was closed to new entrants on 14 June 2002.

For defined contribution schemes, the amount charged to the statement of financial activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers). The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

The charity contributes to a defined contribution pension plan operated by Legal & General. The assets of the scheme are held separately from those of the charity. The contribution payments are charged to the SOFA.

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1. ACCOUNTING POLICIES (CONTINUED)

(K) FINANCE AND OPERATING LEASES

Instalments on operating lease contracts are charged to the SOFA on a straight-line basis over the life of the lease. The group does not have assets under finance leases.

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date into the account's presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Our policy is to minimise holdings of currencies that are not required for operational needs so that we are not exposed to movements in currencies. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable.

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2022: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2022: Nil).

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

(O) FINANCIAL INSTRUMENTS

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.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the group 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.

(P) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

Revenue recognition

Due to the range and complexity of the group's funding streams, revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in accounting policy 1d. The recognition and valuation of legacy income also requires significant judgement – see note 1d for further details.

Pension valuation

Estimates of the net pension valuation depend on a number of complex judgements relating to the discount rate used, changes in retirement ages, mortality rates, and the calculation of pension increases. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension valuation of changes in these assumptions. The group engages other professional advisors where appropriate.

Any surplus on the pension valuation will only be recognised if it is possible to demonstrate that the surplus is recoverable either through reduced contributions in the future or through refunds from the pension scheme.

Provisions

Provisions such as dilapidations and bad debt involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.

Cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. The bases used are outlined in note 7e.

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2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
(a) Donations and gifts				
Individuals – regular giving	31,693	641	**32,334**	32,338
Individuals – one-off donations, appeals and events	9,941	5,062	**15,003**	18,937
Trusts and major donors	5,568	5,812	**11,380**	15,663
Corporate fundraising	1,125	3,555	**4,680**	8,002
Institutional donors	3	4,406	**4,409**	2,911
	48,330	19,476	**67,806**	77,851
(b) Gifts in kind by type				
Gifts in kind for distribution	–	4,696	**4,696**	2,710
Headquarters professional services	–	1,850	**1,850**	862
Fundraising	–	105	**105**	48
	–	6,651	**6,651**	3,620
(c) Legacies				
Legacies[1]	18,610	18	**18,628**	17,182
Total donations and legacies	66,940	26,145	**93,085**	98,653

[1] The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, either because probate has not yet been obtained, or on grounds of insufficient probability, was £2.7 million (2022: £3.5 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2023 restricted £000	Year to 31/12/2022 restricted[1] £000
Performance-related grants		
UK central government	**46,647**	34,940
Irish government	**4,525**	3,923
Other national governments	**6,949**	10,167
UK local and regional government	**1,083**	740
European Commission (including European Community Humanitarian Aid Office)	**4,772**	8,665
Disasters Emergency Committee	**28,542**	33,652
Education Cannot Wait	**8,267**	12,320
United Nations	**24,691**	32,815
World Bank	**32,647**	16,774
Total government and multilateral organisations	**158,123**	153,996
Comic Relief	**25**	408
Bill & Melinda Gates Foundation	**2,482**	2,322
Corporate partners	**11,562**	11,412
Trusts and foundations	**6,858**	10,708
Other	**10,086**	4,055
Total income from charitable activities	**189,136**	182,901

[1] The 2022 comparatives have been recategorised to ensure consistency, however, there is no impact on the overall totals.

Corporate partners includes £2,876,000 from IKEA Foundation for Start Network.

Income from charitable activities relates to income from performance-related grants that are used to further our charitable objectives across our thematic areas.

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4. OTHER TRADING ACTIVITIES

	Charity £000	Save the Children (Sales) Ltd £000	**Total year to 31/12/2023 £000**	Total year to 31/12/2022 £000
Retail income and costs				
Retail income	8,336	803	**9,139**	8,850
Cost of sales	–	(355)	**(355)**	(352)
Direct expenses	(8,261)	(382)	**(8,643)**	(7,403)
Total expenses	(8,261)	(737)	**(8,998)**	(7,755)
Surplus	75	66	**141**	1,095

Additional net income was raised in relation to shops which is disclosed elsewhere and includes £456,000 (2022: £548,000) of donations raised in shops, and £26,000 (2022: £20,000) of property income, totalling £482,000 (2022: £568,000).

5. INVESTMENT INCOME

	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Dividends on investments listed on a recognised stock exchange	**517**	510
Interest on bank deposits and other investments	**952**	356
	1,469	866

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Rental income	2,598	–	**2,598**	2,575
Other income	621	(33)	**588**	511
	3,219	(33)	**3,186**	3,086

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7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly: Staff costs (note 8) £000	Activities undertaken directly: Other direct costs £000	Activities undertaken directly: Gifts in kind £000	Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Expenditure on raising donations and legacies (note 7d)	57	10,868	12,208	57	3,724	–	**26,914**	24,372
Expenditure on other trading activities	–	2,993	5,227	–	778	–	**8,998**	7,742
Investment management costs	–	–	372	–	22	–	**394**	123
	57	13,861	17,807	57	4,524	–	**36,306**	32,237
Charitable activities								
Nutrition	13,232	267	395	2,717	1,170	1,552	**19,333**	21,164
Livelihoods	22,219	594	820	(4)	1,669	2,209	**27,507**	31,452
Health	30,300	445	775	649	2,259	3,006	**37,434**	43,696
Protection and rights	10,597	177	266	8	772	1,033	**12,853**	11,773
Education	52,514	2,321	1,984	966	4,153	5,400	**67,338**	55,953
Rapid onset emergencies	51,360	9,469	8,672	26	4,475	5,336	**79,338**	76,635
	180,222	13,273	12,912	4,362	14,498	18,536	**243,803**	240,673
Advocacy and awareness (note 7c)	879	6,097	2,606	–	2,010	896	**12,488**	10,782
Total charitable activities	181,101	19,370	15,518	4,362	16,508	19,432	**256,291**	251,455
Support costs	149	17,891	20,732	1,850	(21,190)	(19,432)	**–**	–
Other expenditure[1]	–	–	2,670	–	158	–	**2,828**	2,679
Total expenditure	181,307	51,122	56,727	6,269	–	–	**295,425**	286,371
Prior year	188,543	46,947	47,232	3,649	–	–	**286,371**	

[1] Costs relating to the sub-let of certain floors of the headquarters building at St John's Lane have been identified as a separate activity of the group.

(b) Grant funding of activities

During the year ended 31 December 2023, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at https://www.savethechildren.org.uk/content/dam/global/reports/2023-grant-list.pdf.

(c) Save the Children's advocacy and awareness activities

These have several objectives, including:

- informing our supporters and the wider public about the reality of children's lives throughout the world, based on our experience in many countries
- influencing key decision-makers on social and economic policies affecting children, drawing evidence for our advocacy and campaigning work directly from our global programmes
- educating children and young people in the UK by bringing global perspectives to the curriculum and promoting the UN Convention on the Rights of the Child.

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change through mobilising people around the world to show they care, and demand others fulfil their responsibilities.

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7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies

	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Mass fundraising (including legacies)	**22,487**	19,854
Trusts and major donors	**2,064**	2,326
Corporate fundraising	**2,363**	2,192
	26,914	24,372

(e) The support costs and the basis of their allocation were as follows:

Support costs include the cost of providing key organisational support in the areas of general and financial management, human resources and information technology. In addition, this includes costs incurred directly to design and monitor our programmes, and the costs incurred by Save the Children International to deliver our international portfolio.

Management and administration costs	Basis of apportionment	Year to 31/12/2023 £000	Year to 31/12/2022 £000
General management	Pro-rata by expenditure	**2,474**	2,524
Governance	Pro-rata by expenditure	**1,211**	1,205
Human resources	Pro-rata by salary costs	**2,555**	2,370
Financial management	Pro-rata by expenditure	**3,680**	3,074
Premises and facilities	Pro-rata by building usage	**4,220**	3,922
Technology	Pro-rata by expenditure	**5,194**	5,480
Gifts in kind (pro-bono professional and legal services)	Pro-rata by expenditure	**1,850**	862
Gains on foreign exchange	Pro-rata by expenditure	**(88)**	(698)
Defined benefit pension scheme costs[1]	Pro-rata by expenditure	**94**	1
		21,190	18,740
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	**3,094**	2,975
Programme support	Pro-rata by charitable expenditure	**8,503**	6,928
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	**3,986**	3,756
		15,583	13,659
Additional contributions			
SCI strategic investment funding	Pro-rata by charitable expenditure	**3,849**	2,929
		3,849	2,929
Total programme support		**19,432**	16,588
Total support costs		**40,622**	35,328
Financed by unrestricted funds		**28,583**	24,585
Charged to restricted awards		**2,523**	1,457
Indirect cost recovery[2]		**9,516**	9,286
		40,622	35,328

[1] This is the net interest cost on the pension schemes, see note 25 for more details.

[2] Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

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7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

Group auditor's remuneration	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Audit of charity	**215**	207
Audit of subsidiaries	**58**	48
Total audit	**273**	255
Audit related assurance services	**8**	8
Total assurance services	**8**	8
Other non-audit services	**–**	–
Total non-audit services	**–**	–
Total fees	**281**	263

Lease rentals: land and buildings	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Retail	**2,072**	2,260
Programme offices	**191**	105
Headquarters	**4,925**	4,327
	7,188	6,692

Ex-gratia payments

In 2023, there were two ex-gratia payments made to the relatives of testators who had willed part of their estate to Save the Children UK and its subsidiary, Merlin Emergency Relief International (Merlin) respectively (2022: nil). Save the Children UK waived its right to a share in assets valued at £38,750 and Merlin £15,000. The Board of Trustees for each charity considered this a moral obligation as there was indication of clear intentions by the testators that the property should pass to the relative of the testators.

8. STAFF COSTS

(a) Staff costs

	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Wages and salaries	**41,822**	38,252
National Insurance	**4,691**	4,510
Pension costs defined contribution scheme	**1,912**	2,081
Pension costs defined benefit scheme	**507**	182
Other staff costs	**2,190**	1,922
	51,122	46,947

Staff costs are shown inclusive of all amounts directly funded by donors through programme awards.

Included within staff costs is £456,085 (2022: £326,406) of termination costs.

(b) The average number of employees calculated on a full-time equivalent basis, analysed by function, was:

	Average headcount		Average FTE headcount	
	Year to 31/12/2023 number	Year to 31/12/2022 number	**Year to 31/12/2023 number**	Year to 31/12/2022 number
Charitable activities	**606**	588	**586**	569
Raising funds	**279**	274	**274**	269
	885	862	**860**	838

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8. STAFF COSTS (CONTINUED)

(c) At 31 December 2023, the number of staff was as follows:

	Headcount[1] number	Headcount equivalent[2] number
UK HQ	721	703
UK non-HQ	174	168
International	12	11
	907	882

[1] Headcount is defined as the number of roles filled by employees.
[2] Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

(d) The following number of employees (including those on short-term contracts) earned emoluments within the bands shown below.

Emoluments include salaries, fees, amounts in lieu of notice, compensation or redundancy payments, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax) and the estimated money value of any other benefits received otherwise than in cash, and exclude employer pension costs.

	Year to 31/12/2023 number	Year to 31/12/2022 number
£60,001–£70,000	**56**	35
£70,001–£80,000	**17**	13
£80,001–£90,000	**8**	7
£90,001–£100,000	**7**	4
£100,001–£110,000	**–**	1
£110,001–£120,000	**3**	3
£120,001–£130,000	**2**	3
£140,001–£150,000	**1**	1
£150,001–£160,000[1]	**1**	–
	95	67

[1] Salary costs include redundancy payments for a member of staff leaving Save the Children.

(e) 2023 Executive Director remuneration

The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2023 was £897,753 (2022: £886,082). A detailed breakdown by executive director is included on page 54 of this report.

9. TRUSTEES' REMUNERATION

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services.

Out-of-pocket expenses were reimbursed to trustees or paid directly on their behalf as follows:

	Year to 31/12/2023 number of trustees	Year to 31/12/2022 number of trustees	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Expenses including travel and subsistence	**3**	1	**4**	2

Trustees received no remuneration or direct expenses for volunteering their time.

Save the Children has purchased indemnity insurance at a cost of £29,316 (2022: £30,800) that provides cover:
(i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
(ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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10. RELATED PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

As well as donating their time and expertise during 2023, the trustees made unconditional donations of £208,885 (2022: £145,336) to the charity.

Save the Children UK contributes to a defined benefit funded pension scheme administered by The Pensions Trust. For details of transactions with The Pensions Trust in the year, please see note 25.

Anne Fahy is a member of the Save the Children UK board and is also on the board of Save the Children International. Dr Tsitsi Chawatama-Kwambana, Chair of the Save the Children UK board, stepped down from the board of Save the Children International, as well as the role of Chair of the Save the Children UK board, on 28 July 2023 for a period of maternity leave. Richard Winter CBE, interim Save the Children UK board chair, joined the Save the Children International board in August 2023.

Transactions with Save the Children International in the year are detailed below:

Income and expenditure items	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Funds transferred for programme delivery	**133,311**	148,320
Country operating costs	**2,005**	2,196
Central and regional operating costs	**3,986**	3,756
Core contributions	**3,114**	2,975
Strategic investment funding	**3,849**	2,928
Quality Impact Fund	**1,214**	850
	147,479	161,025

Balance sheet items	**As at 31/12/2023 £000**	As at 31/12/2022 £000
Prepayment for programme activity	**19,243**	3,433
Cost of services incurred by SCI to be settled in the future	**(353)**	(276)
Programme-related investment	**955**	955

11. INTANGIBLE FIXED ASSETS

Group and charity	Computer software £000	Assets under construction £000	**Total £000**
Cost at 1 January 2023	12,652	56	**12,708**
Transfers of assets available for use	56	(56)	**–**
Disposals	(6,030)	–	**(6,030)**
Cost at 31 December 2023	6,678	–	**6,678**
Accumulated amortisation at 1 January 2023	12,480	–	**12,480**
Charge for the year	113	–	**113**
Disposals	(6,030)	–	**(6,030)**
Accumulated amortisation at 31 December 2023	6,563	–	**6,563**
Net book value at 31 December 2023	**115**	**–**	**115**
Net book value at 31 December 2022	172	56	228

Assets under construction relate to software systems that are not yet complete. Expenditure on these assets is capitalised as incurred but no amortisation is charged until the asset is available for use, at which point a rate appropriate to the useful economic life of the asset will be applied.

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12. TANGIBLE FIXED ASSETS

(a) Group and charity

	Freehold property £000	Leasehold property improvements £000	Computer equipment £000	**Total £000**
Cost at 1 January 2023	1,290	6,845	64	**8,199**
Additions	82	237	–	**319**
Disposals	–	(534)	(64)	**(598)**
Cost at 31 December 2023	1,372	6,548	–	**7,920**
Accumulated depreciation at 1 January 2023	676	5,850	63	**6,589**
Charge for the year	46	329	–	**375**
Disposals	–	(534)	(63)	**(597)**
Accumulated depreciation at 31 December 2023	722	5,645	–	**6,367**
Net book value at 31 December 2023	**650**	**903**	**–**	**1,553**
Net book value at 31 December 2022	614	995	1	1,610

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2022: £nil).

13. INVESTMENTS

	Notes	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Fixed asset investments	13a	**45,018**	42,133	**45,018**	42,133
Investment in SCI		**955**	955	**955**	955
Investment in subsidiary	13b	**–**	–	**275**	275
Total investments		**45,973**	43,088	**46,248**	43,363

(a) Fixed asset investments	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Market value at start of year	**42,133**	39,818	**42,133**	39,818
Acquisitions	**2,291**	10,500	**2,291**	10,500
Sales proceeds	**(2,385)**	(5,071)	**(2,385)**	(5,071)
Net movement in cash balances	**94**	(429)	**94**	(429)
Net realised investment gains	**566**	703	**566**	703
Net unrealised investment gain/(loss)	**2,319**	(3,388)	**2,319**	(3,388)
Market value at end of year	**45,018**	42,133	**45,018**	42,133

The market value is represented by:	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Equities and commodities	**18,985**	17,362	**18,985**	17,362
Bonds	**3,841**	3,704	**3,841**	3,704
Cash and cash equivalents	**22,192**	21,067	**22,192**	21,067
	45,018	42,133	**45,018**	42,133

Save the Children UK's investment managers have discretion to manage the investment portfolio within an agreed risk profile and in accordance with our ethical policy. The mix of investments and the balance of risk and liquidity is reviewed in the light of Save the Children UK's long-term financial plans.

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13. INVESTMENTS (CONTINUED)

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14. During 2023, the charity made a further £360,000 investment in Humanitarian Leadership Academy (Enterprises) Limited in the form of a loan. This investment has been impaired in 2023 due to the financial loss made by the Humanitarian Leadership Academy (Enterprises) Limited in the year.

14. GROUP MEMBERS

Wholly-owned subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin)[1]	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)[2]	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)[3]	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec
Associate undertakings				
William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
Lead consortium member				
Start Network	9286835	UK	Humanitarian response charity	N/A

For entities with non-coterminous year ends, results for the 12-month period to 31 December 2023 have been consolidated.

The registered address of each group member is 1 St John's Lane, London, EC1M 4AR.

[1] Merlin joined forces with Save the Children Fund in July 2013. All charitable operations were transitioned to the Save the Children Fund, or closed down, by April 2016 and Merlin is now in the process of winding down. Merlin has made a charitable grant under which legacy and other income received by Merlin is paid to Save the Children Fund to fund emergency health work. On 21 March 2024, the Trustees signed a deed of transfer, under which the remaining net assets of the charity will be transferred to Save the Children Fund. Following the transfer the charity will become dormant and final closure will be completed as soon as is practicable thereafter.

[2] On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to the Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to the Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of Humanitarian Leadership Academy. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for Humanitarian Leadership Academy under s479A of the Act relating to subsidiary companies. Humanitarian Leadership Academy is no longer active and has no financial results in the current or prior year to include in Note 14a below.

[3] During 2023 Save the Children Fund granted £360,000 to Humanitarian Leadership Academy (Enterprises) Limited in the form of an interest-free loan with a repayment date of 31 December 2026. The purpose of the loan is to fund costs associated with the inaugural Humanitarian xChange event in February 2024.

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14. GROUP MEMBERS (CONTINUED)

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		Merlin		HLA Enterprises Ltd		Elrha	
	Year to 31/12/2023 £000	Year to 31/12/2022 £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000	**Year to 31/12/2023 £000**	Year to 31/12/2022 £000
Income	**1,233**	1,082	**112**	359	**512**	409	**12,718**	9,608
Expenditure	**(1,030)**	(972)	**(39)**	(1,839)	**(1,106)**	(374)	**(12,496)**	(9,413)
Net income/(expenditure)	**203**	110	**73**	(1,480)	**(594)**	35	**222**	195
Donation to parent charity	**(203)**	(110)	**–**	–	**–**	(35)	**–**	–
Net movement in funds	**–**	–	**73**	(1,480)	**(594)**	–	**222**	195

	As at 31/12/2023 £000	As at 31/12/2022 £000	**As at 31/12/2023 £000**	As at 31/12/2022 £000	**As at 31/12/2023 £000**	As at 31/12/2022 £000	**As at 31/12/2023 £000**	As at 31/12/2022 £000
Assets	**289**	302	**1,244**	2,500	**176**	161	**2,383**	1,511
Liabilities	**(39)**	(52)	**(14)**	(1,343)	**(745)**	(136)	**(1,690)**	(1,040)
Net assets	**250**	250	**1,230**	1,157	**(569)**	25	**693**	471

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2022: £25,000) as grant funding and £1,000 (2022: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	**Group Year to 31/12/2023 £000**	Group Year to 31/12/2022 £000
At 1 January	**596**	674
Share of retained profit/(loss) for the year	**39**	(78)
At 31 December	**635**	596

(c) Start Network

Save the Children UK is acting as the grant custodian for Start Network awards, and in that capacity is legally responsible to donors for the charitable application of funds. The income, spend and fund balances for these awards are included within the Start Network restricted fund in note 22.

15. STOCKS

	Group 31/12/2023 £000	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Gift in kind stock for distribution	**692**	315	**692**	315
Emergency	**11**	11	**11**	11
Goods for resale	**91**	76	**–**	–
Head office	**14**	22	**14**	22
	808	424	**717**	348

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16. DEBTORS

(a) Grant debtors	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
UK and other national governments	**2,465**	1,619	**2,031**	1,130
European Commission (including European Community Humanitarian Aid Office)	**3,328**	4,628	**3,328**	4,628
Education Cannot Wait	**199**	450	**199**	450
United Nations	**5,085**	8,879	**5,085**	8,879
Corporate partners	**933**	2,057	**933**	2,057
Other	**7,061**	3,016	**7,023**	2,978
Total grant debtors	**19,071**	20,649	**18,599**	20,122

Grant debtors above include amounts both billed and unbilled.

(b) Other debtors	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Trade debtors	**348**	388	**180**	290
Legacy debtors	**18,679**	15,462	**18,481**	15,008
Taxes recoverable	**963**	940	**963**	940
Prepayments and accrued income	**11,721**	6,287	**11,680**	6,281
Save the Children International	**18,907**	3,157	**18,907**	3,157
Other debtors	**550**	371	**541**	366
	51,168	26,605	**50,752**	26,042

All debtors are falling due within one year.

Debtor balance with Save the Children International represents prepaid funding for future programmatic activity.

17. CREDITORS

(a) Amounts falling due within one year	**Group 31/12/2023 £000**	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Trade creditors	**3,446**	2,698	**2,948**	2,558
Taxes and social security	**1,188**	1,071	**1,137**	1,026
Amount owed to subsidiary undertakings	**–**	–	**2,852**	1,833
Accruals	**4,153**	4,607	**3,668**	4,159
Deferred income[1]	**50,196**	57,977	**49,215**	57,374
Operating lease incentives[2]	**179**	179	**179**	179
Grant obligations	**1,321**	–	**1,321**	–
Other creditors	**162**	24	**162**	24
	60,645	66,556	**61,482**	67,153
(b) Amounts falling due in more than one year				
Operating lease incentives[2]	**669**	849	**669**	849
Long-term loan	**446**	–	**446**	–
	1,115	849	**1,115**	849

[1] The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £42,786,000 arose in the year and £50,568,000 brought forward from 2022 was released.

[2] The operating lease incentives represent the value of payments, and discounts in the form of rent-free periods, received by Save the Children UK when entering into the 25-year lease on the headquarters building. It is being released over the term of the lease.

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18. PROVISIONS FOR LIABILITIES AND CHARGES

Group and charity	At 01/01/2023 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2023 £000**
Dilapidations	1,700	525	(166)	**2,059**
Grants	3,072	(1,523)	(711)	**838**
Other	995	(780)	(27)	**188**
	5,767	(1,778)	(904)	**3,085**

Dilapidations represent the estimated costs of payments required to make good leased property upon the termination of the lease. The provision amount relating to individual property is released on termination of the lease.

Grant provisions represent estimated funds returnable to donors where Save the Children UK has not been able to spend funds received in accordance with donor wishes and grants which require an element of co-financing where Save the Children UK may be required to fund the additional financing.

Other provisions represent estimates of tax liabilities, onerous lease obligations and other provisions required to be recognised that do not fit into the categories above.

19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity

The total future minimum lease payments under non-cancellable operating leases

Total payments due	**Total 31/12/2023 property £000**	Total 31/12/2022 property £000
Within one year	**6,763**	6,497
Between two and five years	**21,475**	21,803
After five years	**2**	3,582
	28,240	31,882

The lease commitment for the head office building is included above.

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20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

(a) The table below shows the charity's and group's commitment in delivering projects on behalf of donors, which will be completed over a number of years as detailed below.

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 17. For those not yet received, there are legal agreements with donors to ensure that Save the Children UK will be reimbursed for completion of those projects.

	Group 31/12/2023 £000	Group 31/12/2022 £000	**Charity 31/12/2023 £000**	Charity 31/12/2022 £000
Within one year	**189,460**	164,736	**175,422**	149,784
Between two and five years	**105,491**	91,161	**101,807**	79,895
After five years	**853**	3,258	**853**	3,258
	295,804	259,155	**278,082**	232,937

(b) Save the Children UK has entered into a number of grants, where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year end there were still several grants in progress for which no donor had been found, these amounted to £0.8 million (2022: £9.1 million). No provision (2022: £0.8 million) has been recognised as at 31 December 2023 in respect of grants where Save the Children UK does not expect to be able to find donors for these over the remaining life of the projects.

(c) The delivery of the charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI relies primarily on resources provided by and channelled through the member organisations.

Save the Children UK has future commitments in respect of Save the Children International:

i) The International Programming (IP) contracts provide for those members of the Save the Children Association for whom SCI delivers international programmes to provide a share of an indemnity capped at US$20 million in the event that the members choose to cease SCI's programming activity. At 31 December 2023, Save the Children UK's share of this was approximately US$2.7 million (2022: US$2.4 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

   Under the IP contracts, Save the Children UK has given a number of other indemnities to SCI. These include indemnities in respect of operations in countries prior to the date of their programming transition to SCI. These indemnities principally concern retention by Save the Children UK of responsibility for liabilities prior to the date of such transition. At the date of signing the accounts, no material pre-transition issues relating to the normal course of business had been identified. Accordingly, no provision has been made in relation to these indemnities.

ii) The Save the Children members have also provided SCI with a standby letter of credit to the value of US$6.2 million, of which Save the Children UK's share is US$3.1 million. This facility is provided in the event of SCI requiring reserves. SCI holds reserves to meet the following purposes:
   - the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
   - the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
   - the costs of closure or wind-down of the core operations of the charity.

   The standby letter of credit is provided by Standard Chartered. As at 31 December 2023 no amounts had been drawn down on this facility.

(d) Save the Children UK has received from Standard Chartered a guarantee of US$1,034,022 relating to the performance of a grant in Somalia. This will expire on 28 June 2025.

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21. STATEMENT OF FUNDS

(a) Group	At 01/01/2023 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2023 £000**
Unrestricted funds						
General reserve	42,547	80,659	(77,591)	498	208	**46,321**
Revaluation reserve	3,296	–	–	1,973	–	**5,269**
Designated funds:						
Fixed asset reserve	1,537	–	(437)	–	320	**1,420**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	596	–	–	39	–	**635**
Merlin	1,000	108	(35)	–	–	**1,073**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	50,223	80,767	(78,064)	2,510	528	**55,964**
Pension reserve (note 25)	(64)	–	(701)	391	240	**(134)**
Total unrestricted funds	50,159	80,767	(78,765)	2,901	768	**55,830**
All restricted and endowed funds						
Restricted income funds (note 22)	14,671	215,248	(216,660)	–	(768)	**12,491**
Endowment funds	4,845	–	–	414	–	**5,259**
Total restricted funds	19,516	215,248	(216,660)	414	(768)	**17,750**
Total funds	69,675	296,015	(295,425)	3,315	–	**73,580**

(b) Charity	At 01/01/2023 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2023 £000**
Unrestricted funds						
General reserve	42,546	79,116	(75,455)	139	208	**46,554**
Revaluation reserve	3,296	–	–	1,973	–	**5,269**
Designated funds:						
Fixed asset reserve	1,537	–	(437)	–	320	**1,420**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	48,625	79,116	(75,892)	2,112	528	**54,489**
Pension reserve (note 25)	(64)	–	(701)	391	240	**(134)**
Total unrestricted funds	48,561	79,116	(76,593)	2,503	768	**54,355**
All restricted and endowed funds						
Restricted income funds (note 22)	14,044	203,702	(205,335)	–	(768)	**11,643**
Endowment funds	4,845	–	–	414	–	**5,259**
Total restricted funds	18,889	203,702	(205,335)	414	(768)	**16,902**
Total funds	67,450	282,818	(281,928)	2,917	–	**71,257**

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21. STATEMENT OF FUNDS (CONTINUED)

The **general reserve** represents the free funds of the charity that are not designated for particular purposes.

The **revaluation reserve** represents the difference between the historic cost of fixed asset investments and their revalued amount.

The **fixed asset reserve** represents the net book value of tangible and intangible assets originally funded from general reserves. The transfer into the fund represents capital additions less disposal proceeds and depreciation. An adjustment is made for operating lease incentives in relation to fixed assets purchased by the landlord for our headquarters.

The **programme-related investment** represents the value of Save the Children UK's investment in SCI.

The **associates** reserve represents the value of Save the Children UK's investment in the William Belmer Rush Foundation (see note 14 for details).

The **Merlin** reserve represents the value of funds that have been designated to spend in line with the objects of Merlin.

The **St John's Lane reserve fund** represents funds set aside for potential future refurbishment of the headquarters building and the eventual replacement of large capital items. Save the Children UK is responsible for this expenditure on headquarters under its lease with Standard Life that runs until 2028. In addition, Save the Children UK has responsibilities towards its sub-tenants who occupy part of the headquarters building.

The **pension reserve** represents the reported liability on the defined benefit pension scheme under FRS 102 (see note 25 for details). Transfers to the pension reserve represent payments into the scheme during the year for both the defined benefit plan and the growth plan.

The **restricted income funds** represent unexpended balances on donations and grants given for specific purposes (see note 22 for details).

The **endowment funds** represent assets received that may not be exhausted (see note 23 for details).

Prior-year comparatives:

(c) Group	At 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2022 £000**
Unrestricted funds						
General reserve	33,122	78,541	(69,278)	555	(393)	**42,547**
Revaluation reserve	5,882	–	–	(2,586)	–	**3,296**
Designated funds:						
Fixed asset reserve	1,658	–	(519)	–	398	**1,537**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	675	–	–	(78)	–	**597**
Merlin	2,480	355	165	–	(2,000)	**1,000**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	45,063	78,896	(69,632)	(2,109)	(1,995)	**50,223**
Pension reserve (note 25)	(120)	–	(183)	(24)	263	**(64)**
Total unrestricted funds	44,943	78,896	(69,815)	(2,133)	(1,732)	**50,159**
All restricted and endowed funds						
Restricted income funds (note 22)	14,035	215,460	(216,556)	–	1,732	**14,671**
Endowment funds	5,499	–	–	(654)	–	**4,845**
Total restricted funds	19,534	215,460	(216,556)	(654)	1,732	**19,516**
Total funds	64,477	294,356	(286,371)	(2,787)	–	**69,675**

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21. STATEMENT OF FUNDS (CONTINUED)

(d) Charity	At 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2022 £000**
Unrestricted funds						
General reserve	33,122	77,185	(67,922)	555	(394)	**42,546**
Revaluation reserve	5,882	–	–	(2,586)	–	**3,296**
Designated funds:						
Fixed asset reserve	1,658	–	(519)	–	398	**1,537**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	41,908	77,185	(68,441)	(2,031)	4	**48,625**
Pension reserve (note 25)	(120)	–	(183)	(24)	263	**(64)**
Total unrestricted funds	41,788	77,185	(68,624)	(2,055)	267	**48,561**
All restricted and endowed funds						
Restricted income funds (note 22)	13,604	208,795	(208,088)	–	(267)	**14,044**
Endowment funds	5,499	–	–	(654)	–	**4,845**
Total restricted funds	19,103	208,795	(208,088)	(654)	(267)	**18,889**
Total funds	60,891	285,980	(276,712)	(2,709)	–	**67,450**

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22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2023 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2023 £000**
Regions					
East and Southern Africa	634	60,130	(60,073)	1,080	**1,771**
West and Central Africa	(91)	13,232	(15,498)	605	**(1,752)**
Asia	280	16,859	(17,434)	388	**93**
Middle East, North Africa and Eastern Europe	33	25,962	(25,134)	(11)	**850**
Europe (northern, western and southern)	950	5,010	(4,920)	(536)	**504**
United Kingdom	2,847	3,495	(4,717)	(7)	**1,618**
Multi-country	3,142	8,868	(10,077)	(404)	**1,529**
Emergency Appeals					
Ukraine	2,079	14,222	(14,571)	–	**1,730**
Pakistan	240	2,540	(2,529)	(246)	**5**
Afghanistan	73	2,166	(2,164)	(74)	**1**
Gaza	–	2,400	(185)	–	**2,215**
Syria	103	15	–	(109)	**9**
Yemen	1,521	56	(766)	(79)	**732**
Türkiye Syria Earthquake	–	10,931	(8,875)	(1,700)	**356**
The Emergency Fund[2]	1,989	4,535	(144)	(4,039)	**2,341**
SCI Humanitarian Fund	–	–	(6,336)	6,336	**–**
Other appeals	334	106	(221)	(90)	**129**
Other Funds					
Start Network	66	32,219	(30,735)	(1,882)	**(332)**
Elrha	471	12,502	(12,281)	–	**692**
	14,671	215,248	(216,660)	(768)	**12,491**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund are funds not yet allocated to particular country programmes.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2023 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2023 £000**
Regions					
East and Southern Africa	634	60,130	(60,073)	1,080	**1,771**
West and Central Africa	(98)	13,232	(15,498)	605	**(1,759)**
Asia	203	16,859	(17,434)	388	**16**
Middle East, North Africa and Eastern Europe	17	25,962	(25,134)	(11)	**834**
Europe (northern, western and southern)	949	5,010	(4,920)	(536)	**503**
United Kingdom	2,847	3,495	(4,717)	(7)	**1,618**
Multi-country	3,087	8,868	(10,077)	(404)	**1,474**
Emergency Appeals					
Ukraine	2,079	14,222	(14,571)	–	**1,730**
Pakistan	240	2,540	(2,529)	(246)	**5**
Afghanistan	73	2,166	(2,164)	(74)	**1**
Gaza	–	2,400	(185)	–	**2,215**
Syria	103	15	–	(109)	**9**
Yemen	1,521	56	(766)	(79)	**732**
Türkiye Syria Earthquake	–	10,931	(8,875)	(1,700)	**356**
The Emergency Fund[2]	1,989	4,535	(144)	(4,039)	**2,341**
SCI Humanitarian Fund	–	–	(6,336)	6,336	**–**
Other appeals	334	106	(221)	(90)	**129**
Other Funds					
Start Network	66	32,219	(30,735)	(1,882)	**(332)**
Elrha	–	956	(956)	–	**–**
	14,044	203,702	(205,335)	(768)	**11,643**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund are funds not yet allocated to particular country programmes.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

(c) Included in the restricted fund balances are the following:

	At 01/01/2023 £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2023 £000**
Big Lottery Fund					
Third Sector Early Intervention Fund	18	–	(18)	–	**–**
	18	–	(18)	–	**–**

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23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2023 £000	Other gains/(losses) £000	**At 31/12/2023 £000**
The Oliver Children's fund	4,845	414	**5,259**
	4,845	414	**5,259**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2023 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2023 £000**
Tangible and intangible fixed assets	248	–	1,420	–	–	–	**1,668**
Fixed asset investments	34,490	5,269	1,590	–	–	5,259	**46,608**
Current assets	24,809	–	1,364	–	64,010	–	**90,183**
Current liabilities	(9,026)	–	–	(100)	(51,519)	–	**(60,645)**
Non-current liabilities	(1,115)	–	–	–	–	–	**(1,115)**
Provisions for liabilities and charges	(3,085)	–	–	–	–	–	**(3,085)**
Pension liability	–	–	–	(34)	–	–	**(34)**
	46,321	5,269	4,374	(134)	12,491	5,259	**73,580**

(b) Charity

Fund balances at 31 December 2023 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2023 £000**
Tangible and intangible fixed assets	248	–	1,420	–	–	–	**1,668**
Fixed asset investments	34,765	5,269	955	–	–	5,259	**46,248**
Current assets	26,585	–	291	–	62,181	–	**89,057**
Current liabilities	(10,844)	–	–	(100)	(50,538)	–	**(61,482)**
Non-current liabilities	(1,115)	–	–	–	–	–	**(1,115)**
Provisions for liabilities and charges	(3,085)	–	–	–	–	–	**(3,085)**
Pension liability	–	–	–	(34)	–	–	**(34)**
	46,554	5,269	2,666	(134)	11,643	5,259	**71,257**

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24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior period comparatives:

(c) Group

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2022 £000**
Tangible and intangible fixed assets	301	–	1,537	–	–	–	**1,838**
Fixed asset investments	33,991	3,296	1,552	–	–	4,845	**43,684**
Current assets	23,329	–	1,291	–	72,769	–	**97,389**
Current liabilities	(8,458)	–	–	–	(58,098)	–	**(66,556)**
Non-current liabilities	(849)	–	–	–	–	–	**(849)**
Provisions for liabilities and charges	(5,767)	–	–	–	–	–	**(5,767)**
Pension liability	–	–	–	(64)	–	–	**(64)**
	42,547	3,296	4,380	(64)	14,671	4,845	**69,675**

(d) Charity

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2022 £000**
Tangible and intangible fixed assets	301	–	1,537	–	–	–	**1,838**
Fixed asset investments	34,267	3,296	955	–	–	4,845	**43,363**
Current assets	24,253	–	291	–	71,538	–	**96,082**
Current liabilities	(9,659)	–	–	–	(57,494)	–	**(67,153)**
Non-current liabilities	(849)	–	–	–	–	–	**(849)**
Provisions for liabilities and charges	(5,767)	–	–	–	–	–	**(5,767)**
Pension liability	–	–	–	(64)	–	–	**(64)**
	42,546	3,296	2,783	(64)	14,044	4,845	**67,450**

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25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(i) Defined benefit triennial valuation (notes 25b–c)

(ii) Accounting valuation under FRS 102 (defined benefit scheme) (notes 25d–h)

(iii) Defined contribution scheme (note 25i)

(iv) The Pensions Trust Growth Plan (multi-employer scheme) (note 25j)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust Growth Plan £000	**Year to 31/12/2023 £000**	Defined benefit scheme £000	Pension Trust Growth Plan £000	Year to 31/12/2022 £000
Net pension liability at start of period	–	64	**64**	–	120	120
Expenses	507	–	**507**	182	–	182
Net interest expense	(273)	2	**(271)**	(395)	1	(394)
Contributions by employer	(208)	(32)	**(240)**	(208)	(55)	(263)
Net actuarial (gains)/losses in the year	2,818	–	**2,818**	16,375	(2)	16,373
Losses due to benefit changes	92	–	**92**	–	–	–
Unrecognised surplus/effect of asset ceiling	(2,936)	–	**(2,936)**	(15,954)	–	(15,954)
Net pension liability at 31 December	–	34	**34**	–	64	64

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2020 by a professionally qualified actuary. This reported the scheme assets as £206.69m and the scheme liabilities as £215.88m. This corresponds to a scheme deficit of £9.19m and a funding level of 96%. The triennial valuation also reported that there were 0 active members, 962 deferred members and 823 pensioner members, a total of 1,785 members.

A subsequent scheme funding valuation was performed to 30 September 2021. At that date, the scheme was in an estimated surplus of £12.1m and had a funding level of 106%. Following this updated scheme funding valuation, the Trustee agreed with the employer that deficit contributions could cease from October 2021, the only continuing contributions agreed at this valuation related to expenses only. A further scheme funding valuation was performed to 30 September 2022. At that date, the scheme was in an estimated deficit of £0.7m, comprising assets of £149.3m less estimated liabilities of £150m, with a funding position of 100%.

The next formal triennial valuation of the scheme at 30 September 2023 is currently being performed, with the final valuation expected by September 2024. The preliminary results of this triennial actuarial valuation have been rolled forward to 31 December 2023 to calculate the scheme liabilities at year end.

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25. PENSION COSTS (CONTINUED)

(c) Triennial valuation: assumptions

The preliminary triennial actuarial valuation carried out at 30 September 2023 used the following principal assumptions:

Average rate of return on investments pre-retirement	Gilt yield curve plus 0.5% p.a.
Retail Price Index assumption	Gilt inflation curve
Consumer Price Index assumption	RPI less 1.0% p.a. at each term until 2030 and RPI thereafter.

Mortality 101% after retirement of S3PMA (males) and S3PFA (females). CMI_2022 with long-term improvement rates of 1.5% p.a. for males and 1.25% p.a. for females.

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2023

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance sheet date. In the 2023 preliminary triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2023 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied then explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

(i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer;

(ii) the scheme holds quoted securities and these have been valued at bid-price.

Reconciliation of opening and closing balances of the scheme assets and liabilities	Fair value of scheme assets £000	Present value of scheme liabilities £000	**Scheme assets less scheme liabilities £000**
Scheme assets/(liabilities) at start of year	144,457	(138,844)	**5,613**
Expenses	(507)	–	**(507)**
Interest income/(cost)	7,110	(6,837)	**273**
Actuarial loss	(2,444)	(374)	**(2,818)**
Contributions by employer	208	–	**208**
Benefits paid	(5,995)	5,995	**–**
Scheme assets/(liabilities) at end of year	142,829	(140,060)	**2,769**
Provision for loss due to benefit changes			**(92)**
Unrecognised surplus scheme assets			**(2,677)**
Scheme assets/(liabilities) recognised at end of year			–

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25. PENSION COSTS (CONTINUED)

(e) Amounts recognised in the statement of financial activities	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Interest income	**7,110**	4,115
Interest expense	**(6,837)**	(3,720)
Interest on effect of asset ceiling	**(273)**	(395)
Net interest expense	**–**	–
Expenses	**(507)**	(182)
Provision for benefit changes	**(92)**	–
Total expense	**(599)**	(182)
Net actuarial losses in the year	**(2,818)**	(16,375)
Unrecognised surplus/effect of asset ceiling	**2,936**	15,954
Interest on effect of asset ceiling	**273**	395
Total decrease in net funds	**(208)**	(208)

(f) The assets at 31 December 2023 are represented by:	At 31/12/2023 Fair value £000	At 31/12/2022 Fair value £000
Equities	**4,559**	3,594
Bonds	**66,137**	69,664
Property	**15,202**	17,609
Liability driven investments (LDI)	**44,933**	41,346
Cash	**3,664**	1,673
Liquid alternatives	**1,548**	1,082
Private credit	**4,232**	6,443
Other	**2,554**	3,046
Scheme assets	**142,829**	144,457

(g) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	Year to 31/12/2023 % p.a.	Year to 31/12/2022 % p.a.
Discount rate	**4.76**	5.03
Inflation (RPI)	**3.08**	3.15
Inflation (CPI)	**2.63**	2.84
Deferred revaluation: RPI max 5% p.a.	**3.08**	3.15
Pension increases in payment: CPI max 5% p.a.	**2.60**	2.78
Pension increases in payment: CPI max 2.5% p.a.	**1.90**	1.98
Pension increases in payment: CPI max 3% p.a.	**2.14**	2.24

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25. PENSION COSTS (CONTINUED)

Demographic assumptions

Mortality	Year to 31/12/2023	Year to 31/12/2022
Base tables	**S3PXA**	S3PXA
Loading on base tables	**106%**	107%
Improvement allowance, for males	**CMI_2022 (1.5%)**	CMI_2021 (1.5%)
Improvement allowance, for females	**CMI_2022 (1.25%)**	CMI_2021 (1.25%)
Smoothing parameter	**7.0**	7.0

(h) Review of scheme benefit changes

During 2021 Save the Children UK was notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. This review identified that, in some cases, changes to the SCUK DB Scheme's (the Scheme) benefits (primarily those made in 1994) may have been implemented at a time or in a way that may not have been in accordance with the TPT Trust Deed or Rules and other relevant governing documentation or applicable law. The Trustee of TPT is seeking court directions on the validity of various amendments made to TPT (including the Scheme). If the court finds that any of the amendments made to the benefits of members were not validly made by TPT in line with the TPT governing documentation and/or applicable law, the Trustee may be required to amend the TPT Rules to reflect the benefits members were entitled to before the relevant amendment(s) was made. This may result in an increase to the Scheme's liabilities.

The actuarial valuation for the Scheme as at the end of 2023 identified a surplus of £2.7m performed under FRS 102 and makes no allowance for these potential liabilities. The financial impact of the potential liabilities is still under review. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q2 2025 (and may subsequently be subject to appeal).

Save the Children UK has reviewed information shared by TPT and received independent legal and financial advice regarding the potential financial impact of the various Scheme changes and the likelihood of a court ruling that the various changes were invalid. There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0m–£65m of liability (calculated on FRS 102 assumptions based on financial conditions as at 31 December 2023). This estimate is based on the current investment strategy and applicable valuation assumptions. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed. Where liabilities exceed the funding surplus in the Scheme, we may seek to change the future investment strategy of the Scheme and a payment plan to address any funding shortfall in the Scheme would be agreed with the Trustee with payments made, as normal, over a number of years. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit.

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25. PENSION COSTS (CONTINUED)

(i) Defined contribution scheme

Save the Children UK has a Group Personal Pension (GPP), provided by Legal and General as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

The cost of the defined contribution scheme is included within salary costs as shown in note 8. It is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates. Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Pension contributions	**1,912**	2,081

(j) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements, a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers).

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2020 by a professionally qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 81%.

The triennial valuation at 30 September 2020 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £1.3 million.

The actuary advises that the deficit in the scheme, on an FRS 102 basis, is £0 million (2022: £0.1 million). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers. Save the Children UK started to make deficit contributions in April 2013. In 2023 Save the Children UK paid £32k (2022: £55k). Contributions from April 2024 are £32k and increase annually by an inflation factor; it is estimated that this should reduce the potential debt to zero by September 2025. Under FRS 102 Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

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25. PENSION COSTS (CONTINUED)

Net movement in the pension liability	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Provision at the start of the period	**64**	120
Unwinding of the discount factor (interest expense)	**2**	1
Deficit contribution paid	**(32)**	(55)
Remeasurements – impact of any change in assumptions	**–**	(2)
Provision at the end of the period	**34**	64

Amounts recognised in the statement of financial activities	Year to 31/12/2023 £000	Year to 31/12/2022 £000
Interest expense	**2**	1
Remeasurements – impact of any change in assumptions	**–**	(2)
	2	(1)

Financial assumptions	Year to 31/12/2023 % p.a.	Year to 31/12/2022 % p.a.
Rate of discount	**5.31**	4.96

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26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2023 £000**	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2022 £000
Income and endowments from:						
Donations and legacies	66,611	26,145	**92,756**	65,607	34,459	100,066
Charitable activities	–	177,590	**177,590**	–	174,225	174,225
Other trading activities	8,336	–	**8,336**	8,154	–	8,154
Investments	1,469	–	**1,469**	866	–	866
Other	2,700	(33)	**2,667**	2,558	111	2,669
Total income	79,116	203,702	**282,818**	77,185	208,795	285,980
Expenditure on:						
Raising funds	34,499	776	**35,275**	30,603	663	31,266
Charitable activities						
Nutrition	1,556	17,769	**19,325**	2,388	18,817	21,205
Livelihoods	3,677	23,830	**27,507**	3,341	28,111	31,452
Health	4,340	33,077	**37,417**	4,094	39,685	43,779
Protection and rights	1,303	11,550	**12,853**	1,219	10,554	11,773
Education	8,468	58,870	**67,338**	5,871	50,082	55,953
Rapid onset emergencies	10,574	56,324	**66,898**	10,535	57,287	67,822
Advocacy and awareness	9,370	3,118	**12,488**	7,904	2,879	10,783
Total charitable activities	39,288	204,538	**243,826**	35,352	207,415	242,767
Other	2,806	21	**2,827**	2,669	10	2,679
Total expenditure	76,593	205,335	**281,928**	68,624	208,088	276,712
Net gains on investments	2,112	414	**2,526**	(2,031)	(654)	(2,685)
Net income/(expenditure)	4,635	(1,219)	**3,416**	6,530	53	6,583
Transfers between funds	768	(768)	**–**	267	(267)	–
Actuarial gains/(losses) on defined benefit pension scheme	391	–	**391**	(24)	–	(24)
Net movement in funds	5,794	(1,987)	**3,807**	6,773	(214)	6,559
Fund balances brought forward	48,561	18,889	**67,450**	41,788	19,103	60,891
Fund balances carried forward	**54,355**	**16,902**	**71,257**	48,561	18,889	67,450

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27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Foreign, Commonwealth and Development Office in the year ended 31 December 2023

Countries supported	Project	£000
Afghanistan Country Office	Health, Nutrition and Education	1,087
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	349
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	2,375
DRC Country Office	Education in Kasai	2,819
DRC Country Office	Girl's Education Challenge Transition	21
Kenya Country Office	UK Aid Match Health and Nutrition ACCEPT project	459
Mozambique Country Office	DFID COSACA Consortium	(5)
Nigeria Country Office	Expanding Social Protection for Inclusive Development	1,272
Nigeria Country Office	Partnership for Learning for All (PLANE) 2021	1,433
Occupied Palestinian territory Country Office	Gender Equality and Inclusion in oPt 2022	610
Somalia Country Office	Building Resilient Communities in Somalia IRF FCDO	355
Somalia Country Office	Building Resilient Communities in Somalia IRF USAID	496
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Lot 2	368
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Lot 3 for Child Protection and Gender Based Violence	771
Somalia Country Office	Scale up of life-saving Health and Nutrition services in Somalia	1,688
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Drought Response Project FCDO	750
Somalia Country Office	Humanitarian Assistance and Resilience Building in Somalia Drought Response Project USAID	406
Somalia Country Office	Better Lives Programme: Improving Access to Quality Essential Package of Health Services	148
Somalia Country Office	Sudan Protection Programme	6
Türkiye Country Office	Strengthening Social Connectedness and Reducing Inequalities Among the Most Marginalised and Vulnerable Children in North-East Syria	3,684
Uganda Country Office	ULEARN 2019	871
Yemen Country Office	Food Security Safety Net Programme 2022–2027	530
Start Network	Start Fund 2022–2025	12,159
Start Network	Start Network Crisis and Disaster Risk Financing 2019	1,826
Start Network	Start Fund 2018–2021	(106)
Start Network	Start Fund Bangladesh Phase 4	341
Start Network	Start Network Disaster and Emergencies Preparedness Programme	19
Start Network	Start ODI Early Action	(5)
Start Network	Start Fund Nepal	532
Start Network	Start Ready – Crisis and Disaster Risk Financing	1,811
United Kingdom	Humanitarian Innovation Fund/Community-Led Innovation/Global Prioritisation Exercise/UK Hub	5,516
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	3,030
United Kingdom	Global Alliance for Humanitarian Innovation Contribution	(31)
		45,585

Income from the UK Department of Health in the year ended 31 December 2023

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	1,062
		1,062
Total UK central government income		**46,647**

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27. INCOME FROM UK AND IRISH GOVERNMENTS (CONTINUED)

(b) Income from the Irish government in the year ended 31 December 2023

Countries supported	Project	£000
Ethiopia Country Office	Ethiopian Civil Society Coalition for Scaling Up Nutrition Irish Aid Funding 2022/23	386
Ethiopia Country Office	Ethiopian Civil Society Coalition for Scaling Up Nutrition Irish Aid Funding 2023/24	88
Ethiopia Country Office	Irish Aid Climate Smart Programme (Afar and Somali)	5
Ethiopia Country Office	Irish Aid Contingency support to SWAN for Tigray Conflict	(4)
Ethiopia Country Office	Irish Aid Gender Equality	1,598
Ethiopia Country Office	Irish Aid Support for ECSC-SUN 2021–25	3
Ethiopia Country Office	Irish Aid Humanitarian	441
Malawi Country Office	Pathways for Strengthened Resilience Phase II	33
Malawi Country Office	Malawi Irish Aid 2024 Positioning Maziko for Policy Influence and Scale Up	13
Sierra Leone Country Office	Genda Bizness	7
United Kingdom	Scaling Up Nutrition Civil Society Network 2022–2025 Irish Aid	403
United Kingdom	Scaling Up Nutrition Civil Society Network Support 2018–2020	35
Zambia Country Office	Youth Climate Resilience	4
Start Network	Irish Aid Start Funding 2020–2021	27
Start Network	Irish Aid START Fund Contributions 2021	(5)
Start Network	Irish Aid START Fund Contributions 2022	27
Start Network	Irish Aid START Fund Contributions 2023	1,464
		4,525

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.

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THE SAVE THE CHILDREN FUND

England & Wales - Charity number 213890

Accounts

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ANNUAL REPORT 2022

Save the Children



CHANGING THE FUTURE TOGETHER

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COVER PHOTO: MUSTAFA SAEED/ SAVE THE CHILDREN

STANDING WITH SAHRA*

In 2022, we worked to tackle the hunger crisis in East Africa, and help children affected by malnutrition. Children like Sahra*, in Somalia, who appears on the cover of this annual report and below.

Sahra lives in a camp for people affected by conflict and climate change. It is becoming more difficult for families here to afford enough food because of rising global prices.

Sahra knows what it's like to go hungry. She told us, "When I don't eat something, I feel tired, and I don't play so much."

The local health centre provides a special peanut paste for babies and children who need extra nutrients. "After eating it, I get the energy to play with my friends," says Sahra*. She regularly attends the child-friendly space we run.

We're making sure children like Sahra across the world can get nutritious food, education and the chance to build the future they deserve. In the pages that follow, you'll read more about the progress we've made this year.

"I want to be a doctor because I like to help people"



PHOTO: MUSTAFA SAEED/SAVE THE CHILDREN

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WHO WE ARE

Save the Children's ambition is a world in which every child has the right to survive, learn and be protected. We were founded on the belief that every child deserves the chance of a future. This belief underpins everything we do.

We support children to transform their lives. We put children's rights at the core of all our work and strive for equity and social justice. We are committed to making a positive, lasting difference for and with children.

Save the Children works in partnership with local organisations and communities; volunteers and the public; social movements and civil society groups; governments and international institutions; private sector organisations; foundations and philanthropists; artists and ambassadors; and, above all, with children and families to create change that lasts a lifetime.

IN MEMORY

We dedicate this report to the Save the Children staff and volunteers who lost their lives during the past year. We, their colleagues, will remember them, and the impact they had for children will live on. Our deepest condolences go to their families, friends and colleagues.

We are enormously honoured and grateful that Her Late Majesty Queen Elizabeth II served as our Patron from 1952 to 2017. During her 65 years as Patron, she made an invaluable contribution to building a better world for children. Her passion and dedication will never be forgotten.

Names marked with * have been changed to protect identities.

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"The best way to respond to emotion is to take action"

The Youth Advisory Board is made up of 18 young people aged 12–18 from across the UK. Formed in 2021, the Board's goal is to ensure we amplify young voices and stay true to holding children's rights at the heart of everything we do. For more information, please see page 30.

EMILY



There are so many issues facing us globally and in the UK. The climate emergency, cost-of-living crisis, widening inequality and global conflict all create a backdrop of threat, uncertainty and unfairness in our daily lives.

We, as young people, need world leaders we can invest our trust and hope in. We need them to work with us and show us they are willing to listen and prioritise what is important to us for now and the future.

Being a youth advisor provides an important opportunity to take action, have a voice and stand alongside others with a shared commitment to a fair, equal and safe future for everyone. The inclusion and representation of young people provides a refreshing sense of optimism and hope. I am proud to be part of this mission.

WILL



Across the UK, millions of people are struggling with the rising cost of living and having to make the agonising decision of choosing between heating and eating. From having cold, damp homes to going all day without food, children are suffering the most during these turbulent times.

Likewise, the treatment of refugees as they arrive in the UK is upsetting. To make the heart-breaking decision to leave one's homeland and make the treacherous journey that follows in search of a better life elsewhere, is to be admired and respected. It is only by welcoming people can we understand the value and benefits to society that they can bring.

I have a simple yet optimistic hope for the future: that people everywhere, regardless of their background, will be able to live free, happy and fulfilling lives. It is paramount that each person feels valued for who they are and that they feel like they bring value to the people around them.

ROISIN



I have always known that I had a voice, just often didn't have a medium to use it. So when the opportunity to apply for the Youth Advisory Board arose, I didn't hesitate. Seeing all the inequities in this world always upsets me, and I believe that the best way to respond to this emotion is to take action. We are such a powerful group.

I have been campaigning about climate change for some time. In my second year of secondary school, alongside a group of my peers, we wrote a petition and made a video addressing plastic pollution and won £200 for our school's geography department.

Since joining the Youth Advisory Board this passion of mine has been ignited even further. The climate crisis has been one of our main areas of focus and together we made a guide for adults on 'How To Talk To Children About Climate Anxiety'. I also had an interview with the BBC which got published as a press release titled 'Climate anxiety is rising'.

In the future, I hope that all children get access to education as it is something which every child has a right to and will give them an opportunity to fulfil their potential.

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BUILDING FUTURES FOR CHILDREN



PHOTO: ESTHER MBABAZI/SAVE THE CHILDREN

HRH The Princess Royal visiting Save the Children Catch-up Club Programmes in Uganda, October 2022.

Throughout 2022, Save the Children remained steadfast in supporting children and families around the world, no matter what emergencies they were facing. Save the Children worked with partners and communities to make sure families had food, water, cash and shelter. We minimised the disruption to children's education, providing resources for learning at home and helping half a million children across 12 countries to continue their education through our Safe Back to School Fund.

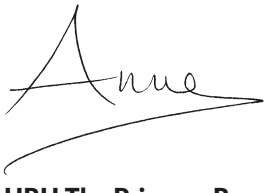
One priority was to tackle the escalating hunger crisis in East Africa, by supporting healthcare workers who are saving children from the worst forms of malnutrition in Somalia and Ethiopia. In response to the UK's rising cost of living, Save the Children supported around 2,400 families with a grant of, on average, £400 to buy food and clothes, and resources to support their children's early learning.

This year I was pleased to be able to visit our work overseas for the first time in five years. I went to an education centre in Uganda to see the school's Catch-up Club in action. Uganda had the longest school closures in the world during the COVID-19 pandemic, and these clubs help children make good their lost learning. My trip to Uganda also allowed me to visit one of Save the Children's child-friendly spaces, to see how play and education can help children and families recover from their experiences of conflict.

Fighting in places such as Ukraine, Pakistan and Mozambique has had significant impact on children's lives, education and aspirations. Today, a record number of children – 1 in 6 – live in warzones around the world. Save the Children's networks and partners operating in these regions make an enormous difference to our ability to support children whose lives are in danger and whose futures are under threat. We have helped more than 740,000 people affected by the conflict in Ukraine alone.

Looking to 2023, Save the Children's efforts are needed more than ever to make sure children get the food they need, can go to school and have the chance to reach their full potential. A better world for children can be built, and I have seen what is possible when we work together to make this happen.

Thank you to those who have helped us this year to drive forward new and innovative ways to support children's health, learning and protection. Together, we are helping children build the future they deserve.



HRH The Princess Royal
Patron, Save the Children UK

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MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

In a year that saw multiple, overlapping crises, 2022 tested our teams like never before.

Just as the world began to emerge from the disruption caused by COVID-19, soaring food and fuel prices threw millions of families into poverty and hunger. Here in the UK, 30% of children are now growing up in poverty, with their parents unable to afford basics like food, heating and clothing. Extreme weather linked to the climate crisis is becoming far more common and those least responsible for carbon emissions suffer most – from families facing famine in East Africa after the worst drought in 40 years to those in Pakistan where one-third of the country was left underwater by unprecedented floods.

The escalating war in Ukraine has led to the fastest and largest displacement of people in Europe since the Second World War. Globally, one in six children are living in a conflict zone, thanks to wars in places the world wants to forget like Yemen, Afghanistan, Syria or the Democratic Republic of the Congo. Over 100 million people have been forced from their homes by fear or disaster, and too few receive the welcome that Ukrainian families found in richer countries like the UK.

The numbers are stark. But we know that when we work together, we can achieve great things.

We believe that helping children achieve their potential is a fantastic investment in our collective future. In 2022, we provided families with access to healthcare facilities, created safe learning spaces for children, and worked with communities on the frontline of the climate crisis to adapt and prepare for future shocks. We reached over 10 million children in around 40 countries to detect, prevent and treat malnutrition (page 6). We provided back-to-school kits to 7,118 children in Sierra Leone (page 10). In Ukraine, from the start of the escalation until the end of 2022, we helped more than 800,000 people, including 430,000 children (page 14), as well as millions more who are living as refugees across Europe and further afield. Here in the UK, Save the Children's work spans all four nations and we worked to close the inequality gap between children from low-income families and their better-off peers.

BUILDING A BETTER FUTURE, TOGETHER

Behind each of these achievements, there is an entire community that makes our work possible: a community made up of incredible staff, volunteers, partners and supporters, who believe in a better world for children and are more committed than ever to driving forward our global ambitions on children's survival, learning and protection.

We know that children believe in a better world, too. Last year, we spoke to over 54,000 children and young people from 40 countries to form our Generation Hope campaign. 83% of the children participating in our survey have noticed climate change or economic inequality affecting the world around them. They were also firm in their belief that change is possible and 73% believed adults should be doing more to tackle the issues. We completely agree.

One of the ways we will achieve lasting change for children is by shifting more power and resources closer to communities. In 2022, we joined other international charities in signing the Pledge for Change. This is a collective commitment to embed the principles of solidarity, humility, self-determination, equity and partnerships even deeper into the way that we work. There is much to be done, but we will keep prioritising this work.

We will continue to support children and their families when crisis strikes, as we have already done in early 2023 with the devastating earthquakes in Turkey and Syria, where Save the Children is delivering food and shelter to families in need. At the same time, we are stepping up our work to help families and communities to protect themselves from shocks, and to tackle root causes.

Our founder, Eglantyne Jebb, once said "Every generation of children offers mankind the possibility of rebuilding his ruin of a world". And we must use these words as a call to action. Together – with children, for children – we can make a better future possible.



Gwen Hines
Chief Executive, Save the Children UK



Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK

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A GLOBAL MOVEMENT

Save the Children UK is one part of the Save the Children movement, a global membership organisation made up of Save the Children International and 30 national members. We share one name and one ambition: a world in which every child has the right to survive, learn and be protected.

In 2022, the Save the Children global movement directly supported 48.8 million children in 115 countries around the world.

OUR SHARED 2030 AMBITION

The Save the Children movement's long-term 2030 ambition, which is aligned with the Sustainable Development Goals, focuses on three global breakthroughs:

- **SURVIVE**: By 2030, no child will die from preventable causes before their fifth birthday.
- **LEARN**: By 2030, all children will learn from a good-quality basic education.
- **BE PROTECTED**: By 2030, violence against children will no longer be tolerated.

MEMBER OF A GLOBAL MOVEMENT

In 2022, Save the Children UK supported the global movement in 49 countries. We provided technical expertise, funding, strategic and governance support, advocacy, programme management and humanitarian response work. We also supported staff, partners and the wider humanitarian sector with capacity-strengthening programmes.



PHOTO: ANNA PANTELIA/SAVE THE CHILDREN

Save the Children Romania ran summer classes for children who had fled the conflict in Ukraine.

2022–24 STRATEGY

Over the final two years of our 2022–24 strategy, we will continue to work with and for children to bring about lasting change in the UK and around the world.

We have four strategic goals for children:

- **A healthy start in life**
- **A safe return to school and access to quality learning**
- **A childhood free from violence**
- **Resilience to cope in tough times**

We are tackling the triple threat of the climate crisis, conflict and COVID-19, and prioritising the rights of those children worst affected by inequality and discrimination. In the UK, we are focusing on children's learning and practical support for families in poverty.

We will accelerate our impact by:

- **Advocating, campaigning and mobilising** for child rights
- **Shifting power** and resources to children, communities and local partners
- Creating **shared-value partnerships** that contribute impact, influence, income, engagement and skills
- Building a **kind, inclusive and agile** organisation
- **Optimising and futureproofing** our resources
- Embedding **data-driven** decision-making and enhancing our **digital and technology** skills

SHIFTING POWER AND RESOURCES

We are committed to shifting power and resources to local and national organisations, communities and children. This means sharing our experience, data, knowledge and skills to forge truly equitable partnerships. It involves building alliances between small organisations rooted in the experience of communities and putting children's voices at the heart of all that we do. One way we are doing this is through our work with the Humanitarian Leadership Academy (see page 18).

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A HEALTHY START IN LIFE

33 MILLION CHILDREN

reached through our movement's health and nutrition programmes in 2022

In 2022, we worked to give every child the chance to survive and thrive.

We delivered life-saving health and nutrition services to families whose lives had been turned upside down by conflict or disaster, and provided cash and essentials to help them cope. And we kept up the pressure on world leaders for a united response to the global hunger crisis.

We tested innovative ways to bring quality healthcare services to children, generating evidence of what works – evidence that can inform national and global strategies.

And we gave young people training and tools to take charge of their own health and survival, supporting adolescents to advocate against early marriage and childbearing in their communities.

Our activities to help children survive are part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations, and financed by a range of Save the Children members and donors.

A GLOBAL HUNGER CRISIS

In the twenty-first century, no child should die of hunger. Yet in 2022, a deadly combination of conflict, the climate emergency, COVID-19 and the cost-of-living crisis pushed millions of families into food insecurity. A staggering 345 million people are now experiencing acute hunger, a number that has more than doubled since 2019.

In food crises, young children are always badly affected. Without enough to eat they are vulnerable to disease and the lack of nutrients means their bodies and minds can't develop as they should. Those who survive malnutrition are often left with life-long effects, including impaired physical growth and cognitive development.

In 2022, we helped form the global Hungry for Action coalition, bringing together organisations from all sectors to campaign on the hunger crisis. In the run up to the G7 leaders' meeting, we galvanised humanitarian organisations into joint action by placing advertisements in key newspapers around the world on the same day. This was backed up with a powerful social media campaign and creative advocacy, which drove the hunger crisis and its causes up the political agenda. We kept up the pressure throughout the year, at important international meetings from the COP27 climate summit to the G20 meetings, encouraging leaders to acknowledge the crisis and step up their response.

AVERTING FAMINE IN EAST AFRICA

In East Africa, rains have failed for the fifth consecutive rainy season and conflict has prevented help from getting to vulnerable populations. This has contributed to the region being on the brink of one of worst famines in 40 years. By the end of 2022 more than two million children in Somalia, Kenya, Ethiopia and South Sudan were in the grip of severe acute malnutrition. International outrage has grown but it in no way matches the response needed.

Responding to the crisis in East Africa has been a top priority for everyone at Save the Children. In Somalia, Kenya, Ethiopia and South Sudan, we've provided health and nutrition services, distributed emergency food assistance and provided cash so people can buy what

Stunting, or chronic malnutrition – when a child is too short for their age because they haven't grown enough due to inadequate nutrition during the first 1,000 days of life.

Wasting, or acute malnutrition – when a child is too thin for their height because they have not had enough nutritious food and/or are ill. This is the most dangerous form of malnutrition.

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Yasmiin* has brought four-year-old Ubah* to a centre for malnourished children in Puntland, Somalia.

PHOTO: MUSTAFA SAEED/SAVE THE CHILDREN

they need. We've also helped communities to access clean water to reduce the risk of illness and disease. In 2022 our emergency response reached 8.8 million people, including 4.6 million children.

See page 19 for more information on how we have been predicting climate-related food shortages in East Africa.

BRINGING TREATMENT CLOSER TO HOME

In 2022, the Save the Children movement reached over 10 million children in around 40 countries to detect, prevent and treat malnutrition.

In many countries, the life-saving treatment that is so vital for malnourished children is only available in health facilities. Making treatment available in communities means children can be diagnosed and treated close to their homes. It also reduces the burden on health facilities.

With our partners, we worked to generate evidence and used it to persuade national and global decision-makers to support, promote and resource community-based management of wasting.

- In Kenya, we worked with the county government in Turkana County to simplify treatment protocols for wasting and enable community health workers to detect and treat malnutrition, alongside other diseases.
- In Somaliland, we adapted the tools from Kenya and trained community health workers in remote areas to do the same.

We are now analysing data from both countries. Early learnings are showing that community-based treatment allows children to be reached quickly and the quality of treatment remains high. We have also found that there is a high level of community acceptance for this approach which is seen to be lifting the burden on local health facilities.

We also built strategic partnerships with national health ministries, various global partners and forums, academics, UN agencies and NGOs to galvanise support for the scaling-up of community-based treatment of wasting. We submitted evidence to the World Health Organization's review of wasting guidelines and worked with UNICEF to provide expertise and advice on simplified approaches to the treatment of wasting.

THE EMERGENCY FUND †

Some emergencies capture more attention than others. Some disasters don't make the news at all. There are no public appeals for funds to help children caught up in these hidden emergencies – highly vulnerable children who remain invisible to a world that isn't watching.

In 2021, the Save the Children movement launched the Emergency Fund. This central, flexible fund allows us to distribute resources quickly and efficiently in response to disasters that don't make the news. It means we are ready to respond when disaster strikes or when situations deteriorate in the volatile contexts in which we work. In 2022, the Fund supported over 24.4 million people through flexible funding of $82.2 million, ensuring that children and families in crisis received humanitarian assistance where and when it was needed most.

For example, in Colombia, the Emergency Fund allowed Save the Children to support those affected by internal conflict. This included providing hygiene kits, food, and psychosocial support for children who had been displaced. Save the Children also raised awareness of the risk of recruitment and use of children by illegal armed groups.

† *Previously referred to as the Children's Emergency Fund.*

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STRENGTHENING INCOMES TO IMPROVE CHILD NUTRITION

Many poor households often can't afford a diet that meets the nutritional needs of children, adolescent girls, and pregnant and breastfeeding women – even when they're not facing crises. We are helping families improve their diets by increasing their incomes and improving their nutritional practices.



Mum Rojina learned how to keep her two children well fed and healthy through our Suchana programme in Bangladesh.

PHOTO: TOM MERLION/ SAVE THE CHILDREN

BANGLADESH: SUCHANA

In Sylhet in northern Bangladesh, we are leading the seven-year Suchana programme to improve the nutrition of children under two and reduce high rates of stunting in two districts.

The programme aims to support vulnerable households to reach a more secure status, where they can afford a nutritious diet and follow recommended feeding practices for their children and themselves. It includes a wide range of activities, from advice and breastfeeding counselling, vitamin A distribution, growth monitoring and treatment of malnutrition. We promote new horticulture and aquaculture methods to improve food production, including technologies to help farmers adapt to the effects of the climate crisis. These measures are backed up by boosting savings and access to loans and making sure families can access social protection.

Monitoring conducted between March and May 2022 found that of 62,500 households active in the programme, 38% were already assessed to have 'escaped poverty' and 45% were on track to do so by the end of the programme. With six months remaining, only 2% were unlikely to do so.

In Bangladesh, girls are often married before their 18th birthday. Marriage is often seen as the best option when families can't afford to feed their daughters, and girls are not allowed to work outside the home. But marriage is often followed closely by pregnancy, and this is risky for both mother and child. Children with adolescent mothers have a higher risk of malnutrition than those with older mothers.

That's why the Suchana programme also has a focus on supporting girls to build their skills so they can both earn their own income and advocate for delaying marriage in their communities.

In 2022, we worked alongside more than 51,800 adolescent girls. Through group sessions led by girls themselves, we helped train them in life skills – such as negotiation, decision-making and problem-solving – and business skills – such as shopkeeping, clothes making and livestock rearing.

Suchana is funded by the EU and UKAID and run in partnership with Helen Keller Intl, World Fish, International Development Enterprises, Friends In Village Development Bangladesh, RDRS Bangladesh and Center for Natural Resource Studies Bangladesh.

OVERCOMING COST BARRIERS TO A HEALTHY DIET

More than a third of children under five in Nigeria's Oyo state are stunted due to chronic undernutrition in their early years.

In February we worked with the government of Nigeria and the World Bank to tackle the cost barriers to improving the diets of young children using our Cost of the Diet tool. We developed 20 nutritious recipes using cheap, locally available foods. Ranging from moringa and cowpea stir-fry to spinach and crawfish soup, the dishes cost between 30 and 86 naira (6p to 16p) per portion to make. The World Bank and the Government of Nigeria are now assessing the potential to scale up the intervention across other Nigerian states.

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RESILIENT HEALTH SYSTEMS

BRINGING VACCINATION TO REMOTE REGIONS

Vaccination saves children's lives. But in remote areas in Ethiopia, home to semi-nomadic people, immunisation coverage remains low.

This year saw the conclusion of our five-year project with GSK and the government of Ethiopia to increase access to vaccinations for children in these areas. We worked with eight partner communities in two groups and have seen spectacular results. For example, the number of children across the whole programme who had received the first dose of the pentavalent vaccination increased from 43% to 89%.†

The communities covered by the programme are now much more likely to seek out healthcare: 85% of children in Group 1 had received all three doses of pentavalent vaccines by the right age, compared with just 20% when we started the programme, highlighting a reduction in vaccine 'dropouts'. And we have not recorded a single outbreak of vaccine-preventable disease in the eight communities during the project.

Vaccination coverage is still lower than in better-off regions of Ethiopia and falls far short of the government's target of at least 80% full immunisation coverage. But these results show that with concerted efforts and tailored approaches, immunisation rates can improve rapidly even in poorer, hard-to-reach parts of the country.

MENTAL HEALTH SUPPORT FOR MOTHERS

Conflict drives hunger – and Yemen is a case in point. Malnutrition rates in the war-torn country are among the highest in the world. One in five children are acutely malnourished.

Mothers of young children face huge difficulties in daily life. Stress and anxiety deeply affect their mental health and sometimes undermine their ability to provide nurturing care and nutrition for their young child.

In response, we have helped develop a pioneering new training package for health workers who work with parents and caregivers. It combines training on maternal mental healthcare and good practices in feeding children and babies.

The approach significantly increased the skillset of child specialist nurses, midwives, doctors and staff in government health services, which will help improve care for thousands of children. The Yemeni Ministry of Health is now introducing it into its own healthcare services, so mothers and their babies across the country will benefit. And Save the Children teams in Bangladesh, Lebanon, occupied Palestinian territory and Somalia are among those now planning to adopt this approach too.

IMPROVING PNEUMONIA TREATMENT

Nigeria has one of the highest rates of deaths of children under the age of five: out of 1,000 live births, 100 children do not make it to their fifth birthday. Our flagship INSPIRING programme, which started in 2019, aims to speed up progress towards eliminating preventable deaths from infectious diseases, particularly pneumonia, the single largest infectious killer of children under five.

A key part of the programme has been improving access to quality healthcare for children with pneumonia in the state of Lagos. We wanted to understand whether expanding access to oxygen therapy, alongside healthcare worker training, improves the quality of care for under-fives with pneumonia.

We worked with 16 health facilities: seven government health centres, seven private health centres and two hospitals. We introduced pulse oximeters and medical-grade oxygen where these were unavailable, trained health workers and supported them throughout the project.

Before the project started, only 10% of children diagnosed with hypoxemia (low oxygen levels) were treated with oxygen. This doubled to 20% during the project. The increase was even more marked in government health centres, where the proportions increased from 1% to 17%. This will have significantly improved the life chances of children with pneumonia who came into health centres.

While a lot remains to be done to improve the quality of care of children in Lagos, these results show that the INSPIRING programme has significantly improved access to oxygen, an essential medicine too often out of reach for the children who need it, and has influenced policy and practice on pneumonia treatment in Lagos state.



PHOTO: YAGAZIE EMEZI/SAVE THE CHILDREN

A health worker administers a vaccine at a school in a remote community in Jigawa State, Nigeria.

† *The pentavalent vaccination is a 5-in-1 vaccination, protecting against diphtheria, tetanus, whooping cough, Hepatitis B and haemophilus influenzae type B (Hib). It is often used as a proxy for access to immunisation services in general.*

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A SAFE RETURN TO SCHOOL

9.2 MILLION CHILDREN

reached through our movement's education programmes in 2022

Education is every child's route to a life that fulfils their potential. Education allows children to learn and develop, and can protect them from poverty, violence and abuse. But too many children are missing out.

Even before the COVID-19 pandemic, 258 million school-aged children were denied their right to education. And when children are in school, they can't learn basic skills like literacy and numeracy if their teachers aren't trained and equipped to teach them.

The pandemic has exacerbated the inequalities in education, with children in low-income and conflict-affected countries being the most likely to not be in school or learning. We keep a particular focus on those most affected by inequality and discrimination – including girls, children with disabilities, refugees, migrating and displaced children, and those from the lowest-income households.

Our projects to support children's learning are designed to form part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations and financed by a range of Save the Children members and donors.

BACK TO SCHOOL AND LEARNING

In Sierra Leone, school closures affected the learning of 2.6 million children.

Through our partnership with the Global Partnership for Education, Save the Children led a consortium of local and national NGOs to support the Ministry of Basic and Senior Secondary Education's ambition to encourage children to return to school, strengthen distance education provision, and ensure schools reopened safely.

We provided back-to-school kits to 7,118 children (of which 3,659 were girls) and devices such as glasses, crutches and wheelchairs to 857 children with disabilities (of which 415 were girls). We provided training on socio-emotional learning and psychosocial support, as well as on how to help children support their peers to return to and stay in school.

We also supported children who were at high risk of not returning to school, such as adolescent girls.

One 14-year-old girl who fell pregnant and withdrew from school said: "I thought I wouldn't go back to school to pursue my dream because all hope was gone, but with the support I received I can now go back to school with dignity, just like other children."

Schools were provided with solar-powered radios, helping 84% of children targeted by the programme to access distance learning, compared to just 33% when the project began. More than 1,000 after-school catch-up clubs were set up, targeting children with lower learning outcomes, and 35,000 children (of which 17,374 were girls) used these to regain the learning they'd lost during the pandemic. At the end of the project 44% of these children were able to read a paragraph and 60% were able to do simple sums (compared to 0% and 2% respectively before). Both boys and girls said that the clubs increased their confidence and ability to do maths.

The consortium featured equitable representation and inclusion at all levels. The learning and results from this project will inform future education policy and practice in Sierra Leone.

> **"I have never felt so respected as a local NGO as I do now in this consortium of equals. I cannot ask for more."**
>
> Kelfa Kargbo, Country Director, Street Child

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KEEPING CHILDREN STUDYING

When COVID-19 closed schools across the world, it compounded and created threats to many children's safety and wellbeing. Being out of school increases the risk children face of violence and abuse at home. It makes them more likely to be forced into child labour and child marriage, or even to be recruited into armed groups.

When schools reopened, children who'd faced violence and abuse during lockdown were less likely to return, more likely to be behind in their learning, and more likely to drop out shortly after returning. Girls have been hit the hardest. Today, an estimated 20 million girls, particularly adolescents, may never return to school. They are at heightened risk of child marriage, adolescent pregnancy, female genital mutilation, and other forms of gender-based violence – all of which have devastating impacts on their wellbeing and ability to reach their full potential.

Yet, school closures made it harder for teachers to identify why a child has dropped out of school and what support might enable them to return.

This year, we led experts across the movement to develop a new approach called CONNECT. It aims to link school attendance tracking with the management of individual cases and the provision of financial help to enable families to send their children back to school.

In Malawi, Burkina Faso, Pakistan and Bangladesh, CONNECT helped school staff identify individual children who did not return when schools reopened or who were at risk of dropping out because of child protection or financial issues at home.

CONNECT reached 27,260 children between the end of 2021 and the middle of 2022, of which 8,542 received direct support. In both Bangladesh and Burkina Faso, every one of the children targeted through CONNECT returned to school. In the areas CONNECT covered in Bangladesh, school attendance increased and the number of children engaged in child labour fell from 49% to 9% between November 2021 and June 2022.

The approach proved a huge success, thanks in large part to the way different teams and partners worked together to maximise its impact for children.

A RESOURCE FOR GIRLS' EDUCATION

Working with education colleagues across the global Save the Children network, we led the development and launch in 2022 of a technical package of tools, evidence and good-practice guidance to drive up the quality and impact of girls' education. The package collates best practice from across the global movement and is an open-source, user-friendly and comprehensive resource to promote high-quality girls' education.

TRANSFORMING EDUCATION IN EMERGENCIES

Education is a fundamental right for every child and that right does not end in times of emergency.

This year, Save the Children published our updated *Risks to Education Index*. It found that four countries – Afghanistan, Sudan, Somalia and Mali – were at extreme risk of ongoing and future crises disrupting education, due to the impact of COVID-19, the climate crisis, displacement and a lack of digital connectivity.

We used the index to shine a spotlight on the numerous threats many countries face in delivering quality education, and to encourage governments to commit further funding in 2023 to Education Cannot Wait, the UN's billion-dollar fund for education in emergencies and protracted crises. Thanks to our influence, the Education Cannot Wait strategy for 2023–2026 includes many commitments in our priority areas, such as climate, disaster preparedness, support for teachers, localisation and the hunger crisis.

THE COMPREHENSIVE SCHOOL SAFETY FRAMEWORK

Save the Children is working in partnership with GADRRRES (Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector), with support from the Prudence Foundation, to develop global policy and practical guidance on how to strengthen education systems so children's learning is protected in the face of challenges such as the climate crisis, health crises, conflict and displacement.

We launched the revised Comprehensive School Safety Framework in September. The launch included a webinar featuring children demanding urgent action.

In 2022, we persuaded the Global Partnership for Education, Education Cannot Wait and the Global Coalition to Protect Education from Attack to endorse the Framework.

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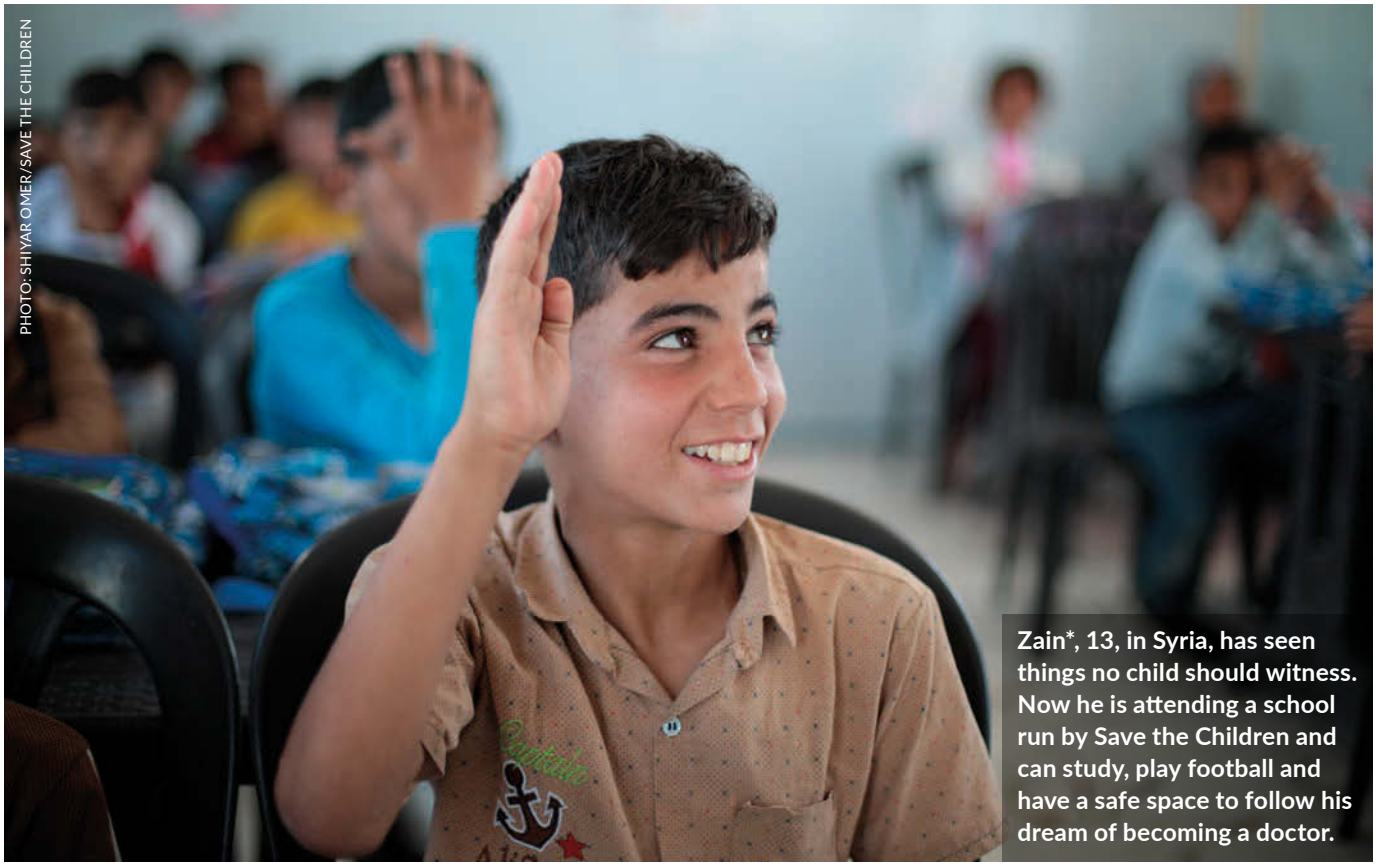


PHOTO: SHIYAR OMER/SAVE THE CHILDREN

Zain*, 13, in Syria, has seen things no child should witness. Now he is attending a school run by Save the Children and can study, play football and have a safe space to follow his dream of becoming a doctor.

A NEW FUND FOR IRAQ

In February, we established a new fund to allow five Iraqi NGOs to take more of a lead on education in emergencies work.

The fund gave the NGOs the flexibility to introduce their own initiatives within the education sector. Save the Children also provided training to improve key elements of their organisation, including finances and child safeguarding. According to the NGOs, the fund has given them more influence within the education sector, made them better able to support their communities, and improved the way they function. It helped the NGOs improve the education of over 5,000 children, approximately 60% of whom were girls.

Our partners in Iraq

- Darya Organization for Developing Women and Community
- Mercy Hands for Humanitarian Aid
- Sorouh for Sustainable Development Foundation
- Voice of Older People and Family
- Women Empowerment Organization

CLIMATE-PROOFING SCHOOLS

The changing climate is threatening children's right to quality education. We have drawn on our expertise from the Asia-Pacific region to strengthen our global approach on the climate crisis and education, and to influence the sector at large.

Our Comprehensive School Safety Ecosystem Framework, run in partnership with Prudence Foundation and the Philippines Department of Education, helped protect Filipino children from climate-related crises and other hazards, and allowed them to participate in ensuring school safety themselves. It was recognised by the prestigious UN Sasakawa Award.

Building on this experience, we supported a GADRRRES (Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector) live event at the COP27 climate summit in November. The event, called 'Protecting education systems against the impact of climate change' featured children, young people and high-level speakers from UNESCO, the Green Climate Fund, the Global Partnership for Education, Prudence Foundation, Save the Children, and more. It aimed to increase awareness about the impact of the climate crisis on children's education and encourage further support for the Comprehensive School Safety Framework to protect schools and learners in more countries.

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RESTARTING EDUCATION IN UGANDA

The COVID-19 pandemic saw two years of school closures in Uganda – the longest in the world – leaving 15 million children out of the classroom. We worked with nine partners on an Education Cannot Wait-funded programme to support the reopening of all the country's schools. We successfully piloted the use of a remedial approach, called 'teaching at the right level', which targets learning to meet a child's individual needs, and therefore helps them to learn faster and more easily. This approach supported more than 138,000 children.

INTEGRATION IN EARLY YEARS EDUCATION

In Tanzania, many children don't get the good-quality pre-primary education that lays the foundation for future learning and development.

Our Tuwekeze Pamoja project, run with our partner Actions for Development Programs Mbozi, set out to change this. Together, we are piloting low-cost approaches to improving early childhood support, focusing on the most economically or socially disadvantaged children and those with disabilities.

We provided group parenting sessions and home visits for caregivers, trained local government staff, education officials, teachers and communities, and promoted positive gender attitudes and a reduction in the prevalence of violence.

The project reached 13,249 caregivers of young children and pre-primary teachers in 47 schools, as well as 141 school leaders and 187 local and national officials. 12,673 children (of which 6,483 were girls) directly benefited from these activities.

The project has made a measurable difference to children's development. Of the children the programme reached, 69% scored at or above benchmarked milestones at age three compared to 51% of those not supported by the project. Children aged between four and six whose caregiver participated in the programme had higher average development scores than those whose carers were not involved.

The project helped parents and caregivers better understand how to support their young children's development. Fewer caregivers and teachers now support the use of physical punishment to discipline children, and by the end of the project, children were having more positive and stimulating interactions with their fathers.

The project will have a lasting impact. 39% of pre-primary teachers reported improvement in two-thirds of the targeted competencies. Teachers also reported that the project helped them to better identify and support children with different learning needs. 71% of the villages that benefited from the programme have now included early childhood development in their village development plans – prior to the project, not a single village had included it.

ADVOCACY TO CLOSE THE EDUCATION FINANCING GAP

An estimated extra $200 billion is needed annually to achieve the 2030 Sustainable Development Goal of a quality education for all children. That's why advocating for more and better financing for education is a key priority for Save the Children.

In October 2022, we published *Fixing a broken system: Transforming Education Financing*, a new report exploring the trends in education financing. The report examined the impact of COVID-19, conflict and the climate crisis on current and future education funding, as well as the role of worsening national debt burdens. We found that one-third of low-income and lower-middle-income countries spent more on servicing external debt in 2020 than they did on education.

In the lead-up to the Transforming Education Summit, we used the recommendations from this report to influence the summit's consultation process on education financing. The financing discussion paper and the Call to Action both adopted many of our key messages and recommendations.

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A CHILDHOOD FREE FROM VIOLENCE

3.8 MILLION CHILDREN

reached through our movement's child protection programmes in 2022

Every child should grow up safe and supported. Yet many children's lives are blighted by violence and abuse.

230 million children are living in high-intensity conflict zones. We work to protect children who are being bombed, shot, starved, raped and often left with no escape from violence – and to enforce the global standard that children should always be off-limits in war.

Our advocacy work has won an important global agreement to protect children from explosive weapons, and extended support for keeping schools safe.

Around the world, girls are at risk of early marriage and other forms of gender-based violence. We are supporting girls and working with them to build their agency to stand against violence in their communities. And we make sure children's own voices are heard by those in power.

Our project activities to help children be protected are designed to form part of coherent country programmes, guided by country office-led strategic plans and financed by a range of Save the Children members and donors.

PROTECTING CHILDREN IN CONFLICT

UKRAINE

When conflict escalated in Ukraine in February 2022, children's lives were turned upside down overnight. Airstrikes and explosions damaged homes, hospitals, schools and critical infrastructure, cutting off water and electricity. Children and families were trapped in besieged cities or hiding in underground bunkers. More than 7.5 million children across Ukraine were in grave danger of physical harm, severe emotional distress and displacement.

Millions of people have fled to other countries; in the first 100 days of the conflict, almost two-thirds of children were forced to flee their homes.

We've been supporting children and families in eastern Ukraine since 2014. This means that our national teams were ready to respond within the first days of the conflict. They distributed food and essential items to families in dire need, and launched child protection and support services as soon as possible.

From the start of the escalation until the end of 2022, we helped more than 800,000 people, including 430,000 children, in Ukraine. We've also helped almost 20,000 children in Poland, 93,000 children in Romania, and 20,000 in Lithuania. See page 25 for more information on how we have supported the response in the UK.

Working together

We can't do it alone. Our partnership with Amazon in particular was invaluable. Within hours of the conflict escalating, we launched a joint response that made strategic use of their expertise and resources. As well as making corporate donations, Amazon launched an employee matched-giving initiative and a fundraising appeal to their customers. They sourced vital humanitarian supplies both through their vendors and by helping us create wishlists of items that customers could buy for the response. Amazon also donated over 100,000 books and provided pro-bono technical support across translation, education and logistics.

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PHOTO: LEWIS KHAN/SAVE THE CHILDREN

Marta*, 3, Alona*, 6 months, and their mum fled to Romania when Ukraine was engulfed by violence.

In Ukraine, we worked with 27 local partner organisations to:

- give food, water, fuel, heaters and essential supplies like toothbrushes and soap to families who'd fled their homes, as well as toys, games, books and activities to keep children entertained and support their mental health
- give families cash so they could buy what they needed – warm clothes, medicines, or food – it's up to them to decide
- help reunite lost children with their families and set up safe spaces for them to play and recover.

In nearby countries, like Lithuania, Romania and Poland, we:

- gave food, clothes and supplies to families who'd made incredibly long journeys, including advice to help them settle into their new community or asylum advice for their onward journey
- helped children catch up on missed learning through language classes run by our education and mental health specialists
- ran summer schools, giving children and young people a safe space to learn, play, make friends, and just be children again.

We'll continue to stand with children and families affected by this crisis, helping them recover and rebuild their lives.

PROTECTING CHILDREN FROM BLAST INJURIES

Children are particularly vulnerable to the effects of explosive weapons such as mortars, rockets and grenades. They are more likely to die from blast injuries than adults and are more susceptible to brain injury. In war zones, people under seven years old are twice as likely to suffer a head injury than those over seven.

We have long campaigned against the use of explosive weapons in areas where civilians live. In November, we celebrated success when 83 countries officially endorsed the Political Declaration on the Protection of Civilians from the Use of Explosive Weapons in Populated Areas. This was the culmination of a decade-long advocacy effort led by the International Network on Explosive Weapons, of which we're a founding Steering Group member, the International Committee of the Red Cross and the UN, and almost three years of diplomatic negotiations led by the Irish government.

The heart of the declaration is an agreement to restrict and refrain from the use of explosive weapons in populated areas. It cites the particular vulnerabilities of children – our key focus area.

A VITAL RESOURCE FOR MEDICS IN UKRAINE

With support from the World Innovation Summit for Health, we translated the *Paediatric Blast Injury Field Manual* into Ukrainian. This comprehensive guide to injuries suffered by children from weapons like bombs, artillery and landmines is designed for medics in war zones, who often lack specialist training. It was published in 2019 by the Paediatric Blast Injury Partnership, a coalition of doctors and experts founded by Save the Children and Imperial College London.

The manual features step-by-step instructions that cover situations ranging from resuscitating children on the battlefield and saving limbs to rehabilitation and psychological care.

The Ukrainian Ministry of Health requested 8,000 copies and training support.

MOBILISING SUPPORT FOR AFGHANISTAN

In February, with the crisis in Afghanistan still raging, we worked to persuade the UK government to convene a humanitarian pledging conference and fund its fair share of the $4.4 billion the UN needed to address the disaster.

The pressure was created by more than 26,000 people who signed our petition – run in partnership with Global Citizen and Christian Aid – and the celebrity influencers who shared it. Our Chief Executive Gwen Hines appeared on Radio 4's Today Programme to talk about the situation for children in Afghanistan and, with other organisations, we wrote open letters to the then Foreign Secretary, Liz Truss MP, to raise the issue up the political agenda.

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PROTECTING AND EMPOWERING GIRLS

We believe in a world where every girl has the power to determine her own future.

In 2022, we brought together a girls' reference group to inform our approach to giving adolescent girls the support they want to build their own feminist movements. In consultations, girls emphasised the importance of putting disability rights at the centre of our work, including girls from crisis-affected contexts, and building connections and taking strength from approaches based on 'joy and care'. We're now putting this guidance into action, beginning with mapping girls' networks in crisis-affected Yemen.

Gender-balanced humanitarian response teams are critical to ensuring that, women and children – particularly households headed by women – can access services in a crisis. They also reduce the risk of sexual exploitation and abuse. In South Sudan, we supported women's rights organisations to lead workshops with our humanitarian staff and partners to develop guidelines to make sure they recruit, retain and promote female humanitarian workers.

PUTTING GIRLS' EMPOWERMENT AT THE CENTRE OF OUR PROGRAMMES

In 2022, our Girls as Drivers of Change programme in Uganda was extended to a new cohort of more than 300 girls and boys, after a successful pilot phase. The programme aims to put girls' agency and voices at its heart. It works to promote girls' leadership, build skills and knowledge, and support girls to design and lead their own interventions to champion girls' rights in their communities.

An evaluation in 2022 showed that in its pilot phase (2019–2021), the project led to a 20% increase in the girls' empowerment, measured on an index which assessed changes in their confidence, agency and participation in the community. We also saw an increase in girls speaking out about the issues they face and their rights within their families and communities.

The pilot phase also showed the need for engaging the wider community with the programme. That's why in 2022 we invited boys to take part too, with the hope that this will increase their understanding of gender issues and help to dismantle harmful stereotypes. The first phase of the programme, getting to grips with the curriculum, has covered a range of topics including gender assumptions, violence and education for girls.

THE GIRLS' IMPACT FUND

The Girls' Impact Fund invests in girls' empowerment and gender equality. It paves the way for a new approach to how we support girls, channelling specific funding and activities designed for, and with, girls. In September, the Girls' Impact Fund was recognised at the UN General Assembly as exemplifying efforts to support 'feminist leadership'.

This fund is financed by our Women's Network, a chapter of our global female philanthropic movement, 100 Strong, which brings together women who are passionate about gender equality to connect, learn, advocate and commit funds.



PHOTO: ESTHER MBABAZI/SAVE THE CHILDREN

Ayen*, 15, from South Sudan, attends an adolescents' group where girls learn about issues like child marriage and gender-based violence.

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CHILD PROTECTION

In Madagascar, we worked to strengthen people's understanding of child protection and the local systems required to keep children safe from violence, abuse and exploitation. We carried out awareness-raising campaigns, including through radio broadcasts, as well as capacity sharing with civil society representatives and government bodies responsible for child protection. And we trained 268 community champions to recognise and report any child protection violations in their communities.

In mid-term evaluation findings, we found that understanding, skills and knowledge on child protection had risen at both community and local government levels. Tests conducted before and after community awareness-raising sessions showed that knowledge had improved from 35% to 70%.

Since we supported the introduction of standardised community-level reporting formats, more child protection cases are being reported, particularly violence and abuse against younger children, which were previously hidden from local authorities.

Community champions and young people are also participating in inter-generational dialogue sessions, exchanging views and opinions, and the regular interaction strengthens the link between different groups in the community.

> **"Before, we never knew that children have rights but now, we do."**
>
> Adult community member

VIOLENCE IN AND AROUND SCHOOLS

SAFE SCHOOLS

Schools should be a haven for children – somewhere they can learn and play in safety. Yet, millions of children growing up in conflict zones are denied access to a safe education.

In 2022, Save the Children worked with Plan International, Human Rights Watch, UNICEF and others through the Global Coalition to Protect Education from Attack to publish and promote *Education Under Attack 2022*. This report reveals that more than 9,000 students, teachers and academics have been killed or injured in attacks on schools and other educational facilities during armed conflict over the past two years. It describes how such attacks are on the rise in countries including Burkina Faso, Ethiopia, Mali and Nigeria.

A single attack on a school is likely to cause devastating physical and emotional injuries to children. It can also deprive hundreds of students of the chance to receive a good quality education. Sometimes, a community's only place of learning is destroyed, and the long-term impact can be enormous.

That's why we worked with partners throughout 2022 to push for states to endorse the Safe Schools Declaration. Signatories commit to refrain from any military-related use of educational facilities, to investigate attacks and to hold perpetrators to account. Three states – Tunisia, Republic of the Congo and Colombia – signed up in 2022, taking the number of signatories to 116. And we worked with governments in Nigeria, Somalia and elsewhere to help them live up to the commitments they had made, including by training armed forces and raising community awareness of the issue and solutions.

ENSURING CHILDREN'S VOICES ARE HEARD

It's vital that children's voices are heard when matters affecting them are discussed and decided.

In 2022, we supported young people who have lived through conflict in Yemen, Somalia and South Sudan to share their experiences with the UK's Minister for Children and Armed Conflict, Vicky Ford MP.

And through our work with the CSO Forum, we helped make sure this happened when more than 2,000 people from 143 countries – including heads of state, UN leaders, children, survivors of childhood violence, royalty, business CEOs and celebrities – came together at a high-level Global Partnership to End Violence Against Children leaders' event in June. Ahead of the event, a group of young advocates came together to agree what action they wanted to see result from the event. The CSO Forum supported four children: Dola from Bangladesh, Harouna from Mali, Madina from Nigeria and Natasya from Indonesia, to participate in the meeting and deliver the calls to action to world leaders.

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RESILIENCE TO COPE IN TOUGH TIMES

Our research reveals that 774 million children around the world are both living in poverty and exposed to very high climate risk. Conflict and COVID-19 have exacerbated the dangers. Together, these interlinked threats are depriving children of health, homes, security and prospects for their future.

In 2022, we worked with families and communities around the world to help them cope with the challenges they face. We protected their livelihoods and helped them become more financially secure. We supported children to advocate to the international community. We worked with others to increase our impact. And we took steps to reduce our own greenhouse gas emissions and environmental impact.

Our projects to support children and families are designed to form part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations and financed by a range of Save the Children members and donors.

COMBATTING A CLIMATE CRISIS

FLOODING IN PAKISTAN

In the summer of 2022, heavy rains across Pakistan led to the worst flooding in decades. Around a third of the country was underwater at one stage and 33 million people, including 16 million children, were badly affected. Tragically, by mid-November more than 1,700 people – including at least 647 children – had lost their lives, and nearly 13,000 people had been injured. More than 2 million homes were destroyed or damaged, leaving many children without clean water, warmth and shelter. Schools, health centres and people's livelihoods – their means of recovery – were ruined.

Scientists attribute the torrential rains to worsening weather patterns as a result of the climate crisis, and the UN Secretary General called the situation a "climate catastrophe".

The children of Pakistan are among the least responsible for creating the climate crisis, but they are feeling its full force. The greatest impact of the flooding has been on Pakistan's poorest districts and most vulnerable communities – including an estimated 3.5 million Afghan refugees, people who had very little to begin with. Children, especially girls, are particularly vulnerable.

Our response was entirely led by our partners, local organisations across the four worst affected provinces. So far, we've helped more than 133,000 people, including 69,000 children.

Together, we provided families with food, shelter and essential items. We set up mobile health units, including standalone clinics in remote areas so that doctors, nurses, midwives and other specialists can reach children and women who would otherwise have no access to healthcare. We also supported government health facilities with staff and equipment, as well as training community health workers.

We set up spaces where children can continue to learn in a safe environment. We provided learning materials to vulnerable children to help them stay in school, and training for teachers and the wider school community on topics such as multi-grade teaching and psychosocial support.

We know that the climate crisis will continue to trigger extreme weather conditions and make natural disasters more frequent and severe. At the COP27 climate summit in November 2022, we advocated for climate justice, to help families in Pakistan and across the world in the longer term. Read our statement here.

SUPPORTING GREEN LIVELIHOODS

More than a million people live on or around Cambodia's Tonle Sap, the largest freshwater lake in south-east Asia. But rising temperatures, drought, pollution, overfishing by commercial trawlers and environmental damage have led to a dramatic fall in the fish stocks that many people rely on for their livelihoods.

Our four-year 'GREEN project' is jointly funded by the European Union and global law firm Norton Rose Fulbright, and is implemented in collaboration with communities and local authorities in the East Tonle Sap Lake region. In 2022,

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Children arrive at school by boat on Tonle Sap lake, Cambodia, where we are supporting families to diversify their income through green initiatives.

we supported children to access education and worked with families to diversify their income sources through green initiatives. This has included supplying life rings and lifejackets to over 70 preschools and primary schools and starting an eco-initiative to reduce schools' environmental footprint and nurture environmental learning and climate action among children, teachers and the community.

We also launched a 'green incubator' programme. Women and young people were invited to take part in three days of enterprise development training. They then had the opportunity to apply for seed funding to support their green initiatives. Business ideas included eco-dishwashing liquid, second-hand boat engine repairs, community eco-tourism and ways to grow vegetables safely.

DATA SUPPORTING EARLY RESPONSE

PREDICTING FOOD SHORTAGES

We know that acting ahead of a crisis, based on forecasts or early warnings, can protect people and their livelihoods, and is more cost effective than waiting till disaster hits.

Good quality data is essential to forecasting. The Jameel Observatory for Food Security Early Action, which we launched in partnership with the University of Edinburgh, the International Livestock Research Institute, the Abdul Latif Poverty Action Lab at MIT and the Community Jameel Foundation, is already generating vital data to support solutions. In 2022 the Observatory enabled us to predict and prepare for climate-related food shortages in dryland areas in East Africa. See page 7 for information on how we responded.

The Observatory also commissioned research to track how different governments, UN bodies and non-governmental organisations were responding to early warning information about drought in the region. The evidence we gathered fed into *Dangerous Delay 2: The Cost of Inaction*, a report published by Save the Children and Oxfam in May. The report called on governments, the UN and non-governmental organisations to respond at the earliest signs of a crisis, as well as to tackle the root causes of those crises.

EMPOWERING DECISION-MAKERS

Our Household Economy Analysis approach tells us whether different types of households have the food and cash they need to survive and invest in their children's wellbeing. We can use this information to model how events such as poor rainfall or increased market prices will affect family budgets – and how we can best help families cope with food shortages.

In 2022 we worked with governments and civil society organisations in 11 countries across West Africa to expand their technical skills in using the approach as an early warning system. And we used the wealth of data we've helped generate over the past decade to conduct a study into how the climate crisis is affecting families' livelihoods. What

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we discover will inform our future work to promote climate-resilient livelihoods.

We also provided technical expertise to long-term resilience-building programmes in conflict-affected Mali, Burkina Faso and Niger. We worked with national and international partners in the region to increase social cohesion and boost the ability of families and communities to cope with the impacts of armed conflict, the climate crisis, poverty and inflation. And we provided cash transfers, loans and savings groups for young people and women.

In March we predicted that the availability of food was likely to rapidly deteriorate, due to a combination of poor rainfall, rising prices, and conflict and gave households cash to help them cope with this.



PHOTO: MIGUEL ANGEL ARREATEGUI RODRIGUEZ/SAVE THE CHILDREN

We supported families who were forced to leave Venezuela due to the economic crisis.

HOPE FOR THE NEXT GENERATION

The climate and inequality crises aren't just a threat to the future. For the world's 2.4 billion children, they are emergencies today. In October, we launched *Generation Hope* – our campaign with and for children, calling for urgent action on the global climate and inequality crises.

To help shape the campaign, we supported colleagues across the global movement to conduct our biggest-ever listening exercise with children. We heard from over 54,000 children from more than 40 countries, through in-person and online conversations, as well as surveys in 15 countries.

What children told us confirmed the scale of the crisis, and the severe impact it's having on children's rights. 83% of the children who took part in the surveys told us they have noticed either the climate or inequality crises affecting the world around them, and 73% believed adults should be doing more to tackle these issues. In the UK, 70% of the more than 3,000 children we spoke to are worried about the world they will inherit.

2.4 BILLION REASONS

We profiled the rich insights that children shared with us in a flagship report, *Generation Hope: 2.4 billion reasons to end the global climate and inequality crisis*. It was launched ahead of the COP27 and G20 summits in November, with a view to making children's voices and demands heard by decision-makers.

The report contains new analysis of the numbers of children affected by the overlapping issues of poverty and climate, for the first time using sub-national data to gain deeper insights. The analysis combined new climate modelling by Vrije Universiteit Brussel with child poverty estimates developed through our research partnership with UNICEF. We found that 774 million children are affected by both poverty and high levels of climate risk.

The report was covered by more than 400 media outlets in over 50 countries, and supported campaign launches across the world.

INVESTING IN YOUNG PEOPLE'S LIVELIHOODS

Since 2016, we have worked with private sector partners Unilever and Symrise, as well as German development agency Gesellschaft für Internationale Zusammenarbeit, to support children from vanilla-farming families in Madagascar. We are piloting village saving and lending associations for 1,925 young people, adding to the associations we've already set up for adults. The associations aim to help young people develop a saving and investment mindset to help prepare them for adulthood.

So far, 985 young people – 635 girls and 350 boys – have enrolled in 72 saving and lending groups, which are already showing exceptional results. For example, by November 2022, one group of 19 members was on track to accumulate annual savings of 18 million ariary (£4,129). A mid-term review conducted in 2022 showed that:

- 39% of the young people in the project area already use an association as a credit facility
- 84% use one as a saving facility
- 18% use one to take up new or improved livelihood opportunities, such as poultry rearing.

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PHOTO: SHONA HAMILTON/ SAVE THE CHILDREN

Save the Children campaigners visited the foreign secretary's constituency to demand action on climate change and economic inequality.

ADVOCATING TO THE UK GOVERNMENT

In the UK, we worked with partners to support the Climate Coalition's Great Big Green Week in September – an annual event of community action to tackle the climate crisis and support nature. Our Youth Advisory Board, supporters and shops helped raise awareness of the impacts of the climate crisis on children and what children want from a greener future, including through a letter-writing campaign that led to one of our Youth Advisory Board members attending a meeting with Labour leader Keir Starmer, and other NGOs.

In October, we ran campaign events in the Foreign Secretary James Cleverley's constituency to call on him to increase the UK's ambitions for the COP27 and G20 summits. We demonstrated local concern on the issues by securing local media coverage of constituents writing messages to the Foreign Secretary. At events in parliament and at the Conservative Party Conference, we supported children from communities worst affected by the climate emergency to communicate directly with politicians and push for action from the UK.

SPEAKING OUT AGAINST AID CUTS

Since the announcement of cuts to UK aid in 2020, we have spoken out about the impact they will have on vulnerable children across the world. We have advocated for the aid budget to be restored to 0.7% of gross national income.

When further cuts were announced in July this year, we published timely data and analysis, which supported our own advocacy and that of other organisations. Our analysis was quoted numerous times in parliament and in the media, helping to strengthen the case for a UK aid budget that meets children's needs at a time of global economic turmoil.

We are supporting global advocacy for children to be recognised as agents of change and have a meaningful seat at the decision-making table. We saw some progress at COP27, where the first-ever Children and Youth Pavilion provided a child-friendly space to amplify children's voices. And the summit's outcome statement formally recognised the role of children in addressing and responding to the climate crisis for the first time.

HUMANITARIAN LEADERSHIP ACADEMY

Save the Children UK set up the Humanitarian Leadership Academy (HLA) in 2015 to enable people to prepare for and respond to crises in their own countries, by offering high-quality learning opportunities. It provides everything from self-guided e-learning to in-person emergency training support to frontline responders and partners.

In 2022, the number of humanitarians using the HLA's online learning platform increased from 450,000 to 628,000. The HLA's online accreditation platform also saw a significant increase in users, jumping from 20,000 to 25,000. The majority of learners come from disaster-prone and disaster-affected areas.

When conflict escalated in Ukraine, the HLA began a major programme to support local humanitarians to build their skills to respond to the crisis. We also created a new HLA Regional Centre in Poland, which enables us to collaborate with other local and international humanitarians, and to drive new initiatives where they are needed. Working together with five other international non-governmental organisations, the HLA also created a Response Learning Hub to support emergency responses in Ukraine and Pakistan. The Hub offers hundreds of humanitarian learning resources for free, many of which are translated into Ukrainian, Polish and Romanian.

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OUR WORK IN THE UK

If it matters to children and families, it matters to us. This is a key principle of our work. In England, Northern Ireland, Scotland and Wales, all our work is based on insights from the children, parents and carers we support.

Every child is full of potential. But children from poorer families are often at a disadvantage when it comes to their early development. This year, we worked to make sure that families living in poverty have what they need to keep their children safe, healthy and learning.

Our network of parent campaigners shared their experience with the media and decision-makers. And together, we secured government support for families – feeding into national policy-making on issues including childcare bills, child maintenance, and the reform of the childcare system.

And when Ukrainian families fleeing the war arrived in the UK, we worked to ensure they had the best welcome. With local agencies, we provided them with vouchers and basic essentials. And we drew on our experience of helping children who have experienced war and trauma to train and support host families, teachers and social workers.

Please see page 26 for more information on Save the Children UK's work in Scotland.

CHILD POVERTY

As the UK's cost-of-living crisis deepened in 2022, it intensified the pressure on children and low-income parents in a country where more than a quarter – 27% – of children were already living in poverty.

In response, we stepped up our support for some of the families who need it most. We provided supermarket vouchers, household products and early learning resources to over 2,400 families to ease the pressures they were facing and support young children's development and learning.

We also helped families share their stories in the media, and with decision-makers, to persuade the UK government to increase their support for those hardest hit by the cost-of-living crisis.

PARENT CAMPAIGNERS

Our parent campaigner network is a group of 12 parents on low incomes who created and shaped our campaigns with us throughout 2022. They led an online cost-of-living rally, did countless media interviews, and talked to policy-makers about what life is like for families on low incomes. They were also runners up in the Sheila McKechnie Awards 'amplifying voices' category – recognition they very much deserved.



PHOTO: SAVE THE CHILDREN

Parent campaigners met with Jonathan Ashworth, Shadow Secretary of State for Work and Pensions.

THE SOARING COST OF LIVING

In the first half of the year, we successfully campaigned with the Joseph Rowntree Foundation-led Keep the Lifeline coalition and our amazing parent campaigners to secure a £37 billion support package from the UK government to help all households, but particularly the most vulnerable, with rising costs. This included a £650 cost-of-living payment for 8 million of the UK's poorest families, and a verbal commitment to raise benefit payments in line with inflation.

In March, one of our parent campaigners spoke to financial journalist and broadcaster Martin Lewis during a phone-in on ITV's This Morning, which led to his much-reported line 'I'm out of tools to help people now'. The quote went viral on social media.

In September, as prices began to skyrocket, the then Prime Minister Liz Truss refused to confirm whether a government commitment to increasing benefits in line with inflation would be kept. With families at breaking point, we argued that there should be no real-terms fall in benefits. We added our signature to open letters from Joseph

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Rowntree Foundation, Working Families and Warm this Winter, and we supported families we work with to share how tough things are for them in the media.

Regular lobbying from Save the Children UK and our partners demonstrated that the benefit cap meant that some families were not getting the support the government intended them to receive. This helped to convince the Chancellor Jeremy Hunt to raise the benefit cap as part of the Autumn Budget package of support to families.

CHILDCARE COSTS INQUIRY

In 2022, the Work and Pensions Committee held an inquiry into childcare costs after our parent campaigners told them about problems with the support provided through Universal Credit. Universal Credit demands that parents pay their childcare bills upfront (sometimes over £1,000 at a time) before getting the money back over a month later. This means that many decide to either not work, or work fewer hours than they want to.

Both parent campaigners and Save the Children UK staff gave evidence to the Committee. The subsequent report, published in December 2022, said that government departments need to work together to find a way of preventing parents on low incomes having to pay big childcare bills upfront – ideally by creating a direct payment system modelled on others that exist.

In response to the report launch, the government stressed that high-quality, affordable and accessible childcare is a priority for them – a sign of the increasing consensus among politicians on the need to invest more in improving childcare for families. We have also developed a vision for a new childcare system – a Universal Childcare Guarantee – with the think tank Institute for Public Policy Research.

COVID-19 INQUIRY

In October 2022, we were selected as a core participant for the UK government's official COVID-19 inquiry, together with Just for Kids Law and the Children's Rights Alliance for England. This allows us to submit evidence and recommend lines of enquiry to the inquiry's team, to help show the impact of the pandemic and government policies on children and young people. We can also make recommendations about how the government can respond to future crises in ways that do more to safeguard children's rights and wellbeing.

Earlier in the year, we worked with other children's campaigners, MPs, peers and psychologists to successfully make the case that the impact on children and young people should be added to the terms of reference of this inquiry.

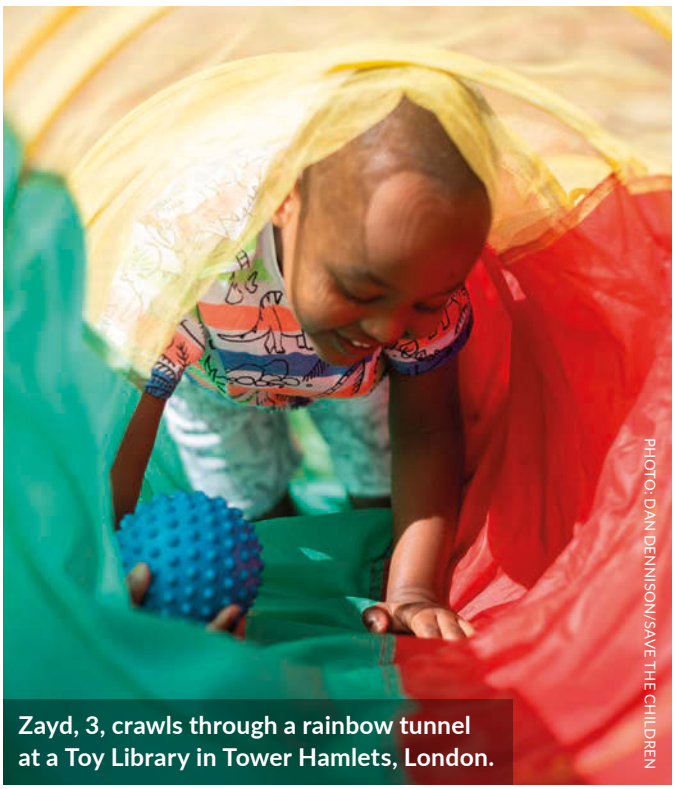
BEST START IN LIFE

Studies have found that children from lower-income households are around four and a half months behind children from higher-income households in terms of social and language skills when they start primary school, increasing to around nine months by the time they leave. Closing this gap is vital for making sure all children can thrive and fulfil their potential.

BRINGING COMMUNITIES TOGETHER FOR CHILDREN

We connect families, charities, schools, councils and other service providers to work together to ensure children from low-income families can have the best start in life. We then use evidence about what works to inform policy and practice right across the UK.

In East Belfast, Margate, Feltham, Newport and Sheffield, our Early Learning Communities focused on making sure every child can start school ready to learn. We also worked with local community groups in Cardiff, Manchester, and Tower Hamlets in London to close the attainment gap



Zayd, 3, crawls through a rainbow tunnel at a Toy Library in Tower Hamlets, London.

PHOTO: DAN DENNISON/SAVE THE CHILDREN

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PHOTO: JUANAN EGUIGUREN/SAVE THE CHILDREN

Rhianna holds her six-month-old daughter Kya, during a parent workshop in Sheffield.

between children from low-income families and their better-off peers.

All our community work starts with listening to families to learn what really matters to them, where the gaps are in existing services, and new ways of helping children. While each community is different, some key themes have emerged from listening to communities in this way.

FAMILIES CONNECT

Our Families Connect programme builds on parents' skills and knowledge, giving them the confidence to support their child's learning at home. In 2022, we ran 117 courses, reaching an estimated 900 families with children aged between three and six years old.

Over eight weekly workshops, parents discuss aspects of their children's learning, and are introduced to activities, techniques and games that they can do with their children at home to support their social and emotional development, literacy, language and numeracy skills.

We know that poverty can't be disentangled from the other inequalities that shape our society, so we made sure that we reached families who are experiencing multiple forms of disadvantage.

CHILDREN'S PLAY IS SERIOUS BUSINESS

Children learn by playing, and play is important in building strong relationships between children and their parents and carers. In Margate and Manchester, we worked with LEGO Group to test out new opportunities for children to learn through play. In Wallsend, Sheffield and Smallshaw-Hurst, more than 1,000 children attended Summer of Fun playschemes, which we helped run. And in Margate, our Parenting Together group ran 'play and grow' sessions at allotments and outdoor play sessions at the Tide and Seek Beach School for one- to five-year-olds.

HELPING PARENTS HELPS CHILDREN

Parents are under so much pressure at the moment – making it very tough to raise a family. We worked with four local groups and 28 parents in Cardiff on the Pause to Play project. We distributed supermarket vouchers, play resources and offered one-to-one or group support to take some of the stress off parents. In Sheffield, we helped set up a Breakfast Club for parents, where they can get something to eat after they drop their children off at nursery, spend time with other parents and find out about local support services in the area.

A young mum in Cardiff told us, "It's not about having expensive toys for my children; I now realise it's more important to just give them my time".

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WELCOMING UKRAINIAN REFUGEES

Since the escalation of the war in Ukraine, Save the Children UK has been helping children and families affected by the conflict. In 2022, over 100,000 Ukrainians came to the UK, most of them families with children. People and communities across the UK have donated, offered gifts and welcomed refugees into their homes, and we've been playing our part to make sure all refugees get a warm welcome.

We have lots of experience of helping children who have experienced war and trauma. So we've been sharing what we know with frontline workers – teachers, social workers, charity workers and others – and with host families. We ran 16 training sessions for more than 400 people, and worked with the Sanctuary Foundation to produce videos for host families, which have been viewed more than 2,000 times. We also worked with Barnardo's, the NSPCC and the Royal Society for Paediatric and Children's Health to develop information for both refugee and host families.

We provided Ukrainian families with vouchers for food and basic goods. We teamed up with local agencies in Wales and Northern Ireland and distributed more than £200,000 so that welcoming services, such as welcome packs, were available to refugees as soon as they arrived.

The Homes for Ukraine scheme is a great initiative, and we worked with the UK government to suggest ways of improving it. For example, we and other children's charities highlighted the need to speed up decision-making, employ more skilled caseworkers and make decisions which keep vulnerable children and young people safe. We think that this community sponsorship approach should be expanded for all refugees in future.

So many people want to help refugees. We worked with the Local Welcome charity, which brings together British citizens and refugees to prepare and eat meals together. Local Welcome organised more than 30 meals in nine cities across all four nations of the UK. And we were delighted to work with our partners the Scouts, and with schools in Wales, to enable children to write welcoming messages and share them with children from Ukraine.

We used a selection of these messages to create a booklet and worked with partner organisations to translate and distribute it to young refugees and their families across the UK.

PART OF THE COMMUNITY

We worked with a Welcome Centre in South Wales to support a family of four who came to the UK from Mariupol, a city that was first besieged then occupied by Russian forces. We helped cover the costs of transport so they could attend appointments; raincoats, school clothes and equipment for the children; and furniture for the family's new home. With the Welcome Centre, we helped the children's dad get a job and the family move into their new house. The two children are now settled in school, the dad is in permanent employment, and mum is attending English language classes and can now have a conversation in English. The family now feel they have regained their independence and started to live a new life. They told us that they are feeling normal again and most importantly that they are a part of a community.



Young people wrote and drew welcoming messages for refugees at the international jamboree in Kent.

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SAVE THE CHILDREN IN SCOTLAND

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Save the Children's activities during 2022 addressed issues faced by children in Scotland, as well contributing to the global aims of Save the Children.

Families across Scotland have faced deep hardship in 2022. The cost-of-living crisis has made trying to get by on a low income harder than ever and left many parents feeling stressed and anxious. In Scotland, one in four children lives in poverty, as do one in three families with babies, making our work to challenge poverty and influence policy more important than ever. In 2022, we empowered communities to create change by amplifying families' voices and experiences; we supported families facing financial crises; and we worked to minimise the impact of poverty on children's home learning environment.

CHALLENGING POVERTY

We spent much of 2022 campaigning for more support for families to help them through the cost-of-living crisis, and for more families to have secure, adequate incomes so that they can avoid being pushed into financial crisis. We produced high-quality research and amplified the voices and experiences of families to make the strongest possible case to decision-makers.

As part of the End Child Poverty Coalition in Scotland, we contributed towards securing an increase in the Scottish Child Payment to £25 per week per child and an earlier date for this to be delivered to families. We launched new research at the Scottish Parliament that set out a series of recommendations on the Scottish Child Payment.

Our *Delivering for Families?* report – published with the Joseph Rowntree Foundation – provided a detailed analysis and parents' views on how well the government's plan for tackling child poverty would meet their needs, and what support is needed to keep the promises made in the plan. With our partners Home-Start Dundee, we enabled parents to share their views directly with the Cabinet Secretary for Social Justice. Parents also created video animations to share their stories.

In September, we published a briefing setting out the impact of the cost-of-living crisis on families and the steps the Scottish government could take to protect children from it. MSPs used the report to highlight the issue in their areas. We've also supported parents to speak out in the media on how the crisis is affecting them.

We launched our Invest in Children campaign in December. It called on the Scottish government to use its budget to do more to support families through the cost-of-living crisis and to invest in children's futures. Our Parent Network has informed this campaign.

We also participated in events, policy discussions and groups, including a fringe meeting at the SNP Conference, and as a member of the Scottish government's Five Family Benefits Reference Group.

SUPPORTING FAMILIES

We've spent much of this year supporting families through the cost-of-living crisis. We've worked in partnership with community organisations to provide grants to 379 families with young children, helping them cope with financial pressures. The grants are worth up to £340 and are used to pay for food and other essentials like children's clothes. Over two-thirds of our grants supported single-parent families and over a third went to families from minority ethnic backgrounds.

Our Families Connect programme helps parents play with children in a way that boosts their learning and accelerates their social and emotional development. We supported 48 schools and nurseries to deliver the programme in 2022, benefitting 432 families.

We delivered the programme in local authorities across Scotland, from Dumfries and Galloway to Aberdeen, and continue to support Glasgow Life to deliver it throughout Glasgow. We brought facilitators together in Aberdeen and Aberdeenshire to share good practice and explore what more we can do to support schools and nurseries to help parents improve the home learning environment.

FUNDRAISING TO DELIVER OUR WORK

We are grateful for continued support from the Scottish government for our work. We are also thankful for the funds we've received from our UK corporate partnerships.

OUR GLOBAL ROLE

We've supported Ukrainian families arriving in Scotland through funding One Parent Families Scotland to deliver essential support and we continue to play an active role on the Scottish government's Humanitarian Emergency Fund panel.

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IN NUMBERS

THE SAVE THE CHILDREN MOVEMENT

48.8 million children directly supported by the Save the Children movement and our partners

38.3 million adults directly supported by the Save the Children movement and our partners

107 emergencies responded to in **66 countries** by the Save the Children movement and our partners

SAVE THE CHILDREN UK

£294 million raised by Save the Children UK and our supporters

20 parent campaigners held the government to account on child poverty

3,689 volunteers in the UK gave their time, energy and skills to support our cause

26,000 signatures on our petition which successfully urged the government to host a global summit and provide funds to tackle the Afghanistan crisis

10 special events where we brought our valued supporters together to raise money for children

3,000 children's views listened to during our Generation Hope campaign

Anabely, 11, plays basketball at school in Quiche, Guatemala.

PHOTO: LUISA DÖRR/SAVE THE CHILDREN

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WORKING IN PARTNERSHIP

We are only able to have the impact that we do through working in partnership. The work of our partners underpins the scale and impact of our programmes. It deepens our knowledge, skills and expertise. It gives us the opportunity to innovate. And it amplifies children's voices and influence.

We are incredibly grateful to all our partners and supporters and have celebrated them and the impact they have had throughout this report. Here are some other standout examples from 2022.

Engaging with our stakeholders

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders – the individuals, groups, organisations and institutions listed in this section. This list is not exhaustive.

That's why we proactively engage with each of our key stakeholders in a way best suited to them. We consider their needs and concerns, in accordance with s172 of the Companies Act 2006.

By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group.

LOCAL PARTNERS

Our work would not be possible without our local partners. These include national and local non-governmental organisations, informal community-based organisations, and governing authorities. Their local knowledge, skills and connections make them a crucial part of our efforts to deliver lasting change for children. They make sure our work is led by children and their communities.

- In Idlib and Aleppo in northern Syria, we work in partnership with Violet, a local humanitarian organisation. Violet's local experience and expertise adds value to the work of Save the Children and other international organisations working in the area. Violet has unique experience in supporting communities to be resilient and works on child protection and empowerment of young people and women. Violet is able to respond quickly to incidents, especially when people are injured or displaced.
- In Tanzania, we work in partnership with NGO Actions for Development Programs Mbozi to pilot low-cost approaches to improving early childhood support. ADP Mbozi provides strong contextual understanding and a network of local partnerships and we support each other to strengthen our technical approaches and capacity. For more information see page 13.
- In Sierra Leone, we led a consortium of local and international NGOs to help children return safely to school. For more information on our work here, see page 10. The Country Director of one of these local NGOs, Foundation for Rural and Urban Transformation, Boi-Jeneh Jalloh, said: "We operate as equal partners with international NGOs. Decision-making is inclusive at all levels. There is mutual trust and respect for each other's competencies and roles in the consortium."

Engaging with local partners

We strive for equitable and highly collaborative partnerships with all our local partners. We engage with each other continuously throughout all stages of a project, including the design phase, the project itself and the evaluation at the end. Decisions are made together.

CORPORATE PARTNERS, FOUNDATIONS AND PHILANTHROPISTS

In 2022, our partners supported our programmes, shared their expertise and helped children's voices to be heard.

- More than 1,000 children, over half of them girls, benefited from our Coaching for Life programme with the Arsenal Foundation, which uses football coaching to support the mental health of children in Za'atari refugee camp, Jordan.
- Our decade-long partnership with the Bill & Melinda Gates Foundation continues to support the movement-wide child survival advocacy strategy. The Foundation's contribution in 2022 has helped us make the case for ambitious, equitable and effective global health funding.
- In the UK, Bulgari supported our Children's Communities programme and our Early Learning Communities Programme to improve children's literacy skills and emotional development, reaching over 1,000 children and parents.
- Our partnership with GSK helped enable vulnerable communities and our Emergency Health Unit to better prepare for potential humanitarian disasters. With the

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Green Climate Fund, the partnership is supporting the design of climate-resilient health systems in Senegal and Malawi.

- With LEGO Foundation we launched an advocacy initiative across five countries to enable skills-based education to be integrated into their education systems.
- The Morgan Stanley International Foundation backed our Parenting Power programme, supporting over 580 families in the UK with their child's development.
- The Norton Rose Fulbright Global Charitable Initiative helped support about 40,000 families living on the frontlines of the climate crisis. Norton Rose Fulbright LLP also helped 3,417 children in Myanmar catch up on the learning they missed during the COVID-19 pandemic.
- With Twinings, we have supported over 700 children and 2,400 parents and caregivers through an early childhood development project that supports tea-farming communities in China.
- We're working with Unilever on handwashing-promotion programmes in Lebanon and Indonesia to stop the spread of disease. We're part of the Unilever/Foreign, Commonwealth & Development Office-led Hygiene and Behaviour Change Coalition, tackling the spread of COVID-19 and promoting vaccination.

We're grateful for the continued support of other corporate partners and foundations including Amazon, AXA XL, Castle Water, Clifford Chance, Entertainment One and Peppa Pig, Hikma Pharmaceuticals, IHS Towers, Innocent Foundation, Kingsmill, Markel International, Mastercard, Pearson, QBE European Operations, Revolut, SC Johnson, Virgin Atlantic, VolkerFitzpatrick, Warner Brothers Discovery, wilko and 8Greens.

We also give special mention to H.E. Sheikh Thani Bin Abdullah Bin Thani Al-Thani and the Al-Thani Fund; Community Jameel; Suliman S. Olayan Foundation (Liechtenstein); the Shefa Fund; the Abdulla Al Ghurair Foundation for Education; Her Highness Sheikha Jawaher bint Mohammed Al Qassimi with NAMA Women's Advancement Establishment; and The Big Heart Foundation.

We are also grateful for continued support from Florence 'Cuppy' Otedola, the Cuppy Foundation and Abdirashid Duale and the Dahabshiil Foundation.

Our sincere thanks to the People's Postcode Lottery for its transformational support, and Jersey Overseas Aid Commission, Latin American Children's Trust, Lund Trust, Moondance Foundation, Westminster Foundation, and World of Women. Special thanks to our individual supporters, including George Davies; the Feltham Funding Circle; David Kremser; Mark Sorrell for Goldman Sachs Gives; Natasha Kaplinsky OBE and members of the Women's Network; members of the Africa Advisory Board and our Vice Presidents: Ann and Bart Becht, Gordon Campbell Gray, Michael Edwards OBE, Robert Glick OBE, Asa and Martin Hintze, Erland and Rose Marie Karlsson, Dora Loewenstein, Peter Mallinson, Paul Martenstyn, Sophie McCormick, Femi Otedola, Charlotte Ransom, John Reynolds, Amanda Richards, Michael Ridley, Andrew Sibbald, and Graham and Susan Tobbell.

Finally, our appreciation to our gala committees for their continued support, with special thanks to the IFR Awards, International Arbitration Charity Ball Committee and the Winter Gala Committee.

GOVERNMENTS AND MULTILATERAL PARTNERS

Save the Children UK works closely with an increasing number of government and organisational partners to deliver life-changing programmes for children.

- The UK government, UNICEF and UNOCHA provided us with financial support to deliver health and nutrition work in Somalia at the peak of the drought and subsequent hunger crisis. We are working with each of these partners to continue raising awareness and further pledges for children in East Africa.
- Irish Aid's support for our gender empowerment work in Ethiopia entered its third year. It also generously allocated €500,000 for our humanitarian response in Tigray.
- With Power of Nutrition and Give Directly, we delivered cash and nutrition education support to mothers in

Engaging with corporate partners, foundations, philanthropists, governments and multilateral donors

We engage with governments, multilateral donors, companies and philanthropists through in-person and virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the COP27 climate summit.

We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. For example, in June 2022, we convened a group of valued donors and corporate partners at a high-level roundtable called the Climate Emergency and Just Transition – identifying opportunities to explore multi-stakeholder collaboration and coming to a shared commitment on community-led climate action.

We regularly seek input through our Vice-Presidents' Programme and Appeal Boards. We also host workshops to explore future opportunities and co-design programmes with our corporate partners.

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SUPPORTING THE NIGERIAN GOVERNMENT TO PROVIDE GREATER SOCIAL PROTECTION

One clear mark of success is when governments adopt our approaches for their programmes. In 2022, we continued to work with state and federal governments in Nigeria to support them in developing social protection policies, laws, budgets and programmes. This year we:

- helped the federal government digitise payment systems
- supported the drafting of social protection legislation in Kano, Kaduna and Jigawa states
- supported the development of Kano's social protection policy
- helped the Kaduna government to design a programme, which it will fund, to move vulnerable young people out of poverty.

This important work transfers power back to people and their governments.

Malawi to help reduce chronic malnutrition among their children and support early childhood development.

- We signed a $5.5 million contract with Gavi, the Vaccines Alliance, to continue our COVID-19 vaccination programme in Sudan.
- We started a new partnership with the government of Sierra Leone and the Education Outcomes Fund which aims to improve literacy and numeracy in 65 schools across three districts.
- With support from the World Bank in Lebanon, we worked to help children catch up with their education after it was disrupted by the pandemic.
- Thanks to UNOCHA and the Disasters Emergency Committee, we delivered £29 million in life-saving support for children and their families caught up in the conflict in Ukraine – support that will continue into the years ahead.

YOUNG PEOPLE

Save the Children UK's Youth Advisory Board aims to ensure we amplify young voices and hold children's rights at the heart of everything we do. In 2022, it was involved in our campaigning, media and governance work. This included sitting on panels for staff interviews, attending Board of Trustees meetings, and developing a project to make refugee and displaced children feel welcome in their schools and communities.

Save the Children UK also worked with our partners the Scouts on a project to welcome young refugees from around the world to the UK. Scout members submitted more than 600 messages and drawings of support, including words of advice and recommendations for things to do in the UK (page 25).



PHOTO: KIMBERLY HOANG/SAVE THE CHILDREN

The Youth Advisory Board held a two-day meeting in summer 2022.

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Engaging with young people

It's vital that children and young people don't just serve as inspiration, but as actual decision-makers. This year, we focused on understanding children's demands with our new campaign Generation Hope (page 20). Through an online survey, digital hub, workshops and interviews, we spoke to more than 3,000 young people aged between 12 and 18. The youngsters came from across all four UK nations, from a range of social and economic backgrounds, from cities and villages, and from different ethnic backgrounds and religions.

Our engagement with young people will ensure that our work is in line with what they are demanding, so that we can more effectively be their ally.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

In 2022, our artists and influencers helped draw attention to our cause, taking part in media interviews and supporting our fundraising appeal for Ukraine.

Save the Children UK Ambassador, photographer and activist Misan Harriman, travelled to Somaliland to document its worst drought in over 40 years. His incredible images were featured in the *Financial Times* and *Vogue*, and were shared by Ambassadors Luke Evans, Joely Richardson and Erin O'Connor.

Sanjeev Bhaskar, Jon Snow, Adil Ray and Ambassador Mariella Frostrup stood with us and called for the UK government to take urgent action on hunger in Afghanistan. Sir Mo Farah launched our first Zakat campaign: Zakat, a form of charity, is one of the pillars of the Islamic faith and payments donated to Save the Children UK's Zakat Fund will be used to support our vital work in Muslim-majority countries and communities. And Harry Styles helped raise over £150,000 by asking his fans to donate when they bought tickets and merchandise for his Love On Tour.

Christmas Jumper Day rounded off the year, with supporters including Alex Jones, Adam Hills, Holly Willoughby, Olly Murs, Giovanni Pernice, and Andi and Miquita Oliver getting involved.

Engaging with ambassadors and high-profile supporters

We engage with our ambassadors and high-profile supporters via texts, calls, emails and in regular face-to-face meetings. This provides an opportunity for them to communicate their needs, concerns or ideas, and an opportunity for us to listen to what they wish to get out of their experience with Save the Children UK.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

Our Ambassador Misan Harriman photographs a community affected by drought in Somaliland.

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PUBLIC SUPPORT

In 2022, our incredible supporters gave monthly gifts, organised events, took on fundraising challenges and backed our campaigns. More than 3.28 million people took part in our eleventh Christmas Jumper Day, raising over £2.8 million so far – £2 million of which was matched by the UK government, taking the total raised to £4.8 million.

The Disasters Emergency Committee Ukraine Appeal generated £389 million by December 2022, of which we get around 18%, and our supporters raised a further £8.9 million for our response. Supporters continued to donate to our Afghanistan, Yemen and Syria appeals – as well as our Pakistan Floods Crisis Appeal. Our Emergency Fund raised £8.5 million and allowed us to respond to less-widely covered crises.

Our campaigns, too, are powered by the UK public. As the UK's cost-of-living crisis deepened, we worked with 38 Degrees and Turn2Us on the crisis, winning a commitment from the government to ensure benefits would rise in line with inflation. Our magnificent parent campaigners (see page 22) helped us keep the pressure on those in power.

848 kind supporters left us gifts in their wills worth £17 million. Most of these were given with no restrictions, meaning they can be used where they will have the greatest impact for children. One of these legacies came from someone who had supported Save the Children UK for an incredible 40 years. Another was from a scientist and teacher who remembered us to honour his wife's support for the charity. Every legacy has a story and represents a gift from an amazing person with hopes and dreams for children's futures.

Engaging with supporters

We engage with our supporters through a regular supporter survey, participatory research and by monitoring supporter calls.

We also engage directly with them via social media, phone calls and stewardship contact. We use our understanding of our audiences and supporters to keep their needs at the heart of all our communications and products, striving to deliver an experience that is meaningful and rewarding for them.

Supporters who completed our 2022 supporter survey gave us a satisfaction score of 8.6 out of 10.



Volunteer Carol gives out activity packs at the Smallshaw Hurst Food Pantry Store.

PHOTO: KATE STANWORTH/SAVE THE CHILDREN

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VOLUNTEERS

Our 3,689 volunteers contributed enormously in 2022: as community fundraisers, shop volunteers, campaigners, researchers and speakers. Our shop teams contributed over 200,000 volunteer hours and our community groups raised more than £600,000.

Engaging with volunteers

We engage with our volunteers regularly to ensure they have the necessary support and so their opinions can help shape our decisions. We conduct an annual volunteer motivation and satisfaction survey: in 2022, 96% of survey respondents were satisfied with their volunteering experience. Their feedback informed how we run our shops and campaigns, and our regional approach to our supporter engagement.

OUR PATRON

For more than five decades, HRH The Princess Royal has devoted her time to visit Save the Children's programmes, meeting with children and their families, as well as colleagues. In the UK, she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation she has continued to be a powerful advocate of our work. We are honoured to have had The Princess Royal as our President since 1970 and our Patron since 2017, and are thankful for her unwavering support.

A VIBRANT MOVEMENT OF SUPPORT

Our goal is to build and maintain a vibrant and inclusive base of support that we can mobilise for and with children. Over the past year we've made important progress on several fronts:

- We evolved our core fundraising and marketing communications, seeking to embed our Powering Possible brand, to deliver on our diversity and inclusion commitments and to increase our effectiveness in a challenging market. We have also restarted and revitalised our face-to-face fundraising.
- We have been at the forefront of humanitarian appeals for Afghanistan, Ukraine, Pakistan and East Africa, through powerful, awareness-driving media coverage and fundraising and campaigning. UK public awareness of malnutrition in East Africa rose from less than 20% to nearly 70% over the course of the year.
- We have mobilised supporters and volunteers to campaign on key issues, working with partners and raising the voices of children to have more impact.
- We've secured new partnerships and grown transformational programmes to deliver significant impact for children. We continued to pilot new ways of collaborating with partners and philanthropists, through multistakeholder partnerships and innovative finance models.
- We've explored opportunities to create powerful and relevant experiences for key audiences. We developed a way to instantly show people the impact of their donations and looked at the ways in which we can make children a more active force in our fundraising, campaigning and communications.
- We've made vital progress on replacing our customer relationship management system. The new system will move into its build phase in 2023, updating a core part of our technology ecosystem and setting us up for future success.

CHALLENGES AND LESSONS

The fundraising and engagement environment remains challenging. As the cost of living soars, one in four people in the UK have cut back on charitable donations since the start of 2022, and a further two in five indicate they might or definitely will do so in the near future.

Thankfully, our supporter base has proved resilient, registering only a small increase in regular-giving cancellations. As more people struggle to make ends meet, we must find ways to remain relevant to those who are able to support us.

We have seen a decline in legacy income after a peak in 2019. Legacy income is typically volatile – one large legacy makes a big difference to the total figure. We are prudently forecasting a lower level of income going forward, as well as strengthening our legacy marketing.

The high level of political change and uncertainty has also affected some of our campaigning activities. Our response has been to work more with local groups and communities to provide them with the skills, tools and expertise they need to lead their own campaigning, and to work more in partnership.

With reduced fundraising and marketing budgets post-pandemic, Save the Children UK is less visible to the public. This has both an immediate and long-term impact on the efficiency of our fundraising, which we will seek to address through greater investment in future years.

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PEOPLE AND CULTURE

Save the Children UK is here to make a positive, lasting difference for and with children. We can only realise that ambition by recruiting, retaining, developing, engaging and supporting our extraordinary people, so they can do the best work of their career with us.

As a rights-based organisation, we hold equity and justice at the heart of our approach to people and culture. We are committed to valuing all of our people fairly, and work hard to create an environment that is free from discrimination and inequity.

OUR PEOPLE

As of 31 December 2022, 844 staff were employed at Save the Children UK and 3,689 people were working in a formal volunteering role.

To find out about our approach to pay and overheads, see page 49, and for details on our gender and ethnicity pay gaps, see page 50.

OUR CULTURE

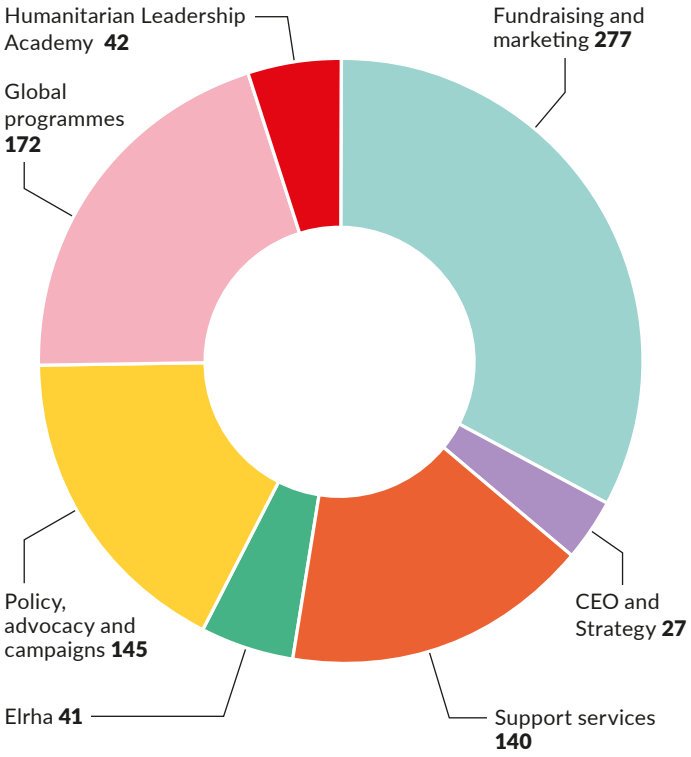
This year we launched Organisation of the Future, a wide-reaching programme to shift our culture, capabilities and structure to deliver greater impact for children. It brings together and builds on work from across the organisation that:

- increases our agility to maximise our impact and shock-proof the organisation
- engages and empowers colleagues to work with greater autonomy and cooperation
- shifts mindsets to increase individual agency and reshape our culture and capabilities.

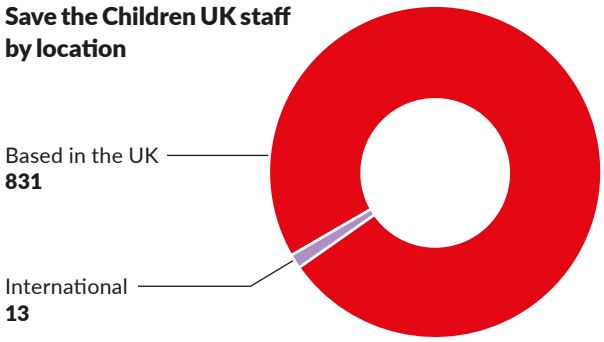
As part of the programme, we launched our long-term, post-pandemic approach to working. We asked our staff about their preferred ways of working and used that data to develop a hybrid model that prioritises face-to-face interactions for collaboration and relationship-building, while allowing for flexibility to work remotely for non-collaborative work.

At the same time, we updated our flexible working policy to complement the new hybrid ways of working and introduced a homeworking allowance, so staff have the right tools to work safely and effectively from home.

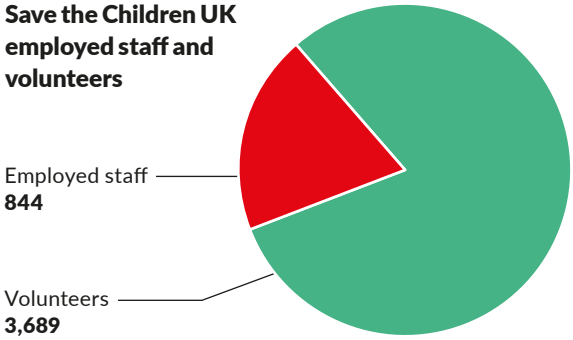
Save the Children UK staff by division



Save the Children UK staff by location



Save the Children UK employed staff and volunteers



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EMBEDDING DIVERSITY, EQUITY AND INCLUSION

We have embarked on a journey to make our organisation more inclusive. Working with our staff equality networks and diversity and inclusion representatives we continued to implement Free to Be Me, our Diversity and Inclusion Strategy. Please see information on our ethnicity and gender pay gaps on page 50.

Here are some examples of the progress we made towards implementing that strategy in 2022:

- We delivered targeted anti-racism training to our Board and Executive and Corporate Leadership teams.
- We increased ethnic minority representation at senior levels to 21%, exceeding the target of 20% we'd set ourselves to reach by 2024.
- The proportion of staff who felt we are creating an inclusive culture where everyone can contribute their best increased from 69% to 75%.
- In March, we introduced a comprehensive equity, diversity and inclusion education programme available to all staff.
- After a successful first year, our mentoring development programme for colleagues from underrepresented groups entered its second year, supporting staff from ethnic minority backgrounds, under-privileged backgrounds, and those with disabilities and from LGBTQ groups.

In 2023, we will refresh our Diversity and Inclusion Strategy to ensure it's effectively changing our culture.

> **"I'm better skilled at navigating my career and pursuing development opportunities. The programme has given me the confidence and clarity I needed to provide leadership to a team and take my next career move."**
>
> Staff member who took part in the mentoring development programme

WELLBEING

Since December 2021, there has been a 36% reduction in stress-related absence among staff. This is in part thanks to new measures to help line managers better support their teams. Other measures, such as listening circles, have allowed for more open conversations about stress, and stress risk assessments help prevent stress escalating into mental ill health or burnout. We have also created support groups so staff can talk though difficulties with their peers in a safe space.

At the beginning of 2022, we recruited a cross-organisational wellbeing working group. It acts as a sounding board for staff, gives us a sense of how they're feeling and informs divisional wellbeing initiatives.

Throughout the year, we used lunchtime talks, team workshop sessions and blogs to engage all our staff on a range of wellbeing topics, such as imposter syndrome, financial health and menopause.

ENGAGEMENT WITH STAFF

The People team have transformed the way they work and the services they offer. In 2022 they collaborated with colleagues across the organisation to co-create fantastic services – starting with recruitment, onboarding and induction – that enable every member of staff to thrive and do their best work.

Our Leadership team regularly engaged with our Black and Minority Ethnic (BAME), Disabilities, Gender, LGBTQI+ Allies, and Parental staff equality networks on matters of culture. These networks continue to be instrumental in informing decision-making and driving change.

Our yearly engagement survey collected expanded demographic data around disability, refugee/asylum status and socio-economic background, to help us better understand the working experience of different groups. Findings from the survey are feeding into our 2023 People Strategy.

BECOMING A STRONGER, MORE EFFECTIVE ORGANISATION

We continue to invest in making sure that our technology is fit for the long term. In 2022 we developed a shared two-year organisational plan for digital, data and technology to help us prioritise our resources more effectively and deliver longer-term efficiencies.

This includes looking at how we manage supporter data and investing in tools to help make hybrid working accessible for everyone.

In the search for new ways to maximise our impact for children and tap new income streams, we tested three areas of innovation: innovative finance, collaboration with start-ups, and commercial ventures. This has seen us:

- launch our first results-based finance product
- offer small low-interest loans and business support to start-ups in Rwanda who are improving the lives of children and their families
- kick off a project supporting female refugee entrepreneurs from Ukraine.

CHALLENGES AND LESSONS

Attracting and retaining digital, data and tech specialists continues to be a challenge. As a result, we are piloting a new learning platform to increase digital and data skills across the organisation.

Cyber-attacks are an increasing threat and have surged across the world in the past year. We are mitigating this risk through the development of our Cyber Security Programme to safeguard and secure our data.

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REDUCING OUR ECOLOGICAL IMPACT

The ecological emergency – climate change, environmental degradation and biodiversity loss – is devasting the lives of children and communities around the world. That's why we're committed to being part of the solution to the crisis – and that starts with reducing our own environmental impact.

We will become an ecologically smart organisation by:

- reducing our 'direct' emissions by 50% by the end of 2024 (compared to our 2019 baseline) and by 70% by 2030,† and reducing our wider emissions where possible (such as emissions from pensions and investments, employee commutes, and waste).
- investing in honing our people's existing skills and increasing their knowledge on the crisis – particularly its disproportionate impact on children – as well as on themes such as carbon literacy, ways of reducing global emissions, and the neo-colonial causes of the crisis. Where possible, we're giving staff opportunities to upskill by taking on new roles and projects in this area.
- improving environmental risk management and better understanding the environmental impact of our decisions, such as how we work and with whom. In 2023, we will roll out environmental management systems for our operations, overseas programmes and humanitarian responses.

PROGRESS IN 2022

This year we concentrated on strengthening our processes and practices in environmental sustainability and on improving the data we use to measure progress. In 2023, we will increase our focus on embedding and scaling up these improvements.

WORK-RELATED TRAVEL

To deliver our mission for children across the world, travel remains essential. Nevertheless, we committed to reducing our air travel emissions to 70% less in 2022 than in 2019.

We launched a new travel policy to enable us to meet our pledge, improved the quality of our flight emissions data and access to it, and developed divisional quarterly review processes to monitor compliance.

In 2022, our CO_2 equivalent (CO_2e) emissions from air travel were 549 tonnes (0.65 tonnes per employee) – an 84% reduction from our 2019 baseline. We are pleased to have met our target.

STAFF ENGAGEMENT

In 2022, we worked to engage colleagues on the climate crisis through our staff environmental network. We circulated internal blogs on topics from sustainable back-to-school ideas to fast fashion, and hosted lunchtime talks on subjects ranging from the environmental impacts of our pensions to gardening in small spaces. In April, we were also privileged to be joined by Eric Njuguna, a Fridays for Future and UN youth climate activist from Kenya, who shared a thought-provoking account of climate justice and neocolonialism. Learning from Eric, we are centring this issue in our climate and ecological strategic plan.

PENSIONS AND INVESTMENTS

Funds that are not immediately required are invested to improve income. We ensure that none of these investments are held in companies in the fossil fuel industry. In 2022, we investigated lower-carbon pension funds and, in 2023, will prioritise enabling staff to make better-informed decisions on the sustainability of their pension choices.

EMISSIONS METRICS AND TARGETS

Save the Children UK has measured the carbon emissions of our UK operations since 2011. In 2022, with the generous support of ZeroBees, we conducted a deeper and broader analysis, mapping our Scope 1, 2 and 3 emissions. The results are being used to shape our roadmap to a 50% carbon reduction by 2024.

† *The Greenhouse Gas Protocol uses 'direct' to refer to Scope 1 emissions only. However, in carbon commitments 'direct' is commonly used to refer to the emissions we are most able to control and connected to our impact on the environment. At Save the Children UK, our reduction commitment includes our Scope 1 emissions from sources we directly own or control (fuel used to power our sites and vehicles), Scope 2 emissions from energy generated elsewhere and supplied to us (electricity used in our offices and shops) and elements of our Scope 3 emissions created by our supply chain and via the goods and services we buy, notably the flights we take and hotel stays.*

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Most of our emissions come from our business travel (56%) and the use of our head office, four regional offices, and 104 retail premises across the UK (44%). Following a steep decline in our emissions in 2020–21 due to COVID-19 lockdowns, they increased in 2022, as some employees returned to the office and travel restrictions were relaxed. The residual effects of the pandemic continued to affect our total emissions, however.

OUR EMISSIONS

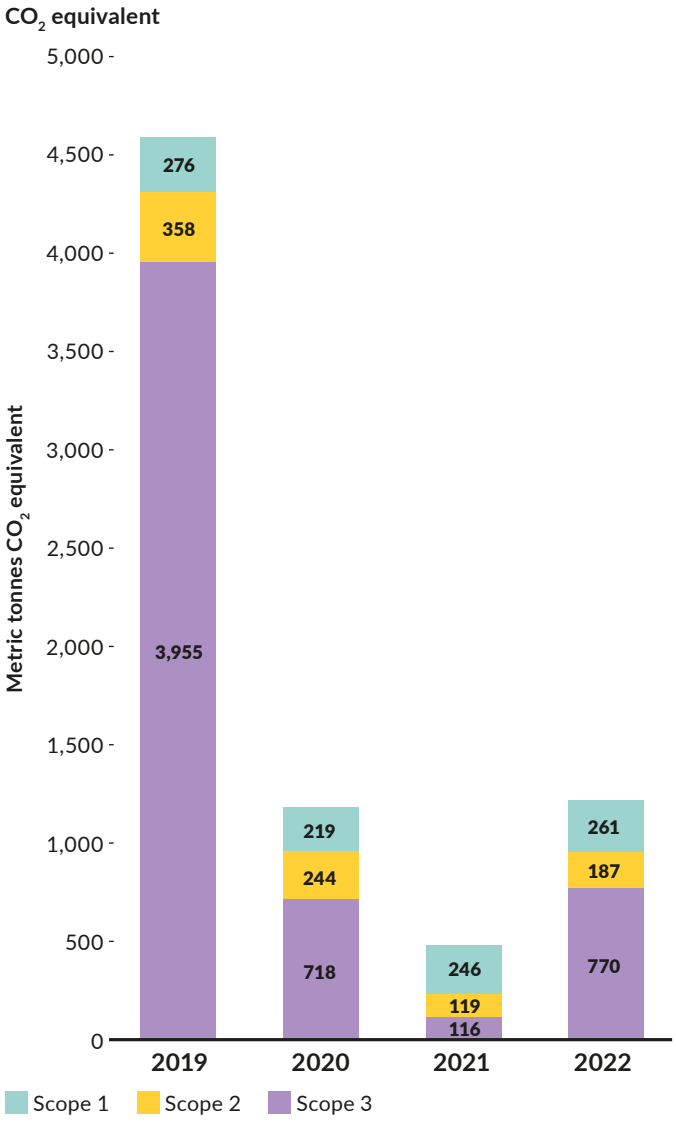
Our analysis with ZeroBees estimates that Save the Children UK's emissions were 1,218 tonnes of CO_2e in 2022 (Scope 1, Scope 2, and included sources of Scope 3). This represents an intensity measure of 1.43 tonnes CO_2e per employee.

See page 52 for our mandatory Streamlined Energy and Carbon Reporting (SECR) data. The required scope of SECR is limited compared to the more comprehensive discretionary analysis presented here.

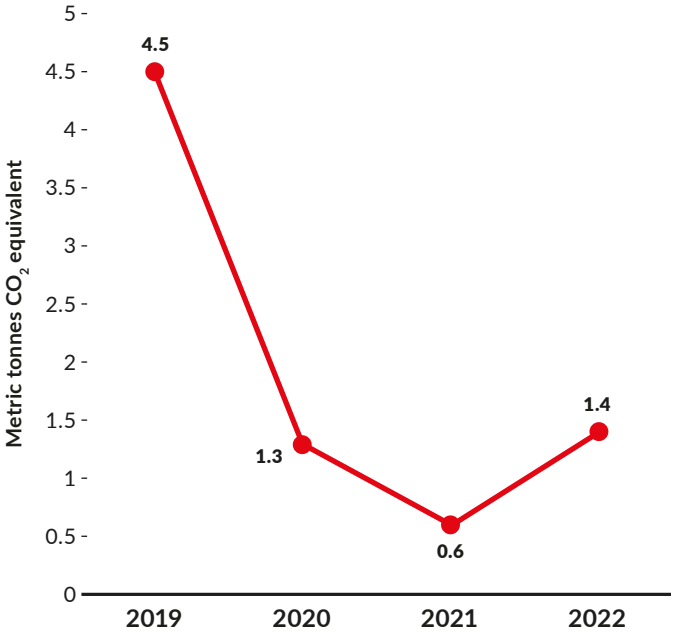


Children in Jakarta, Indonesia, display a 200-metre banner presenting children's thoughts on climate change.

Our direct carbon emissions



Carbon intensity per employee



Note 1: Our 2019, 2021 and 2022 greenhouse gas emissions data were developed with the support of ZeroBees in 2022. These figures will differ from our Streamlined Energy and Carbon Reporting data (page 52) and the figures we share with the Save the Children movement, which are both more limited in scope but are nonetheless mandatory for us to report.

Note 2: Scope 3 emissions included in this 'direct' emissions graphic include business flights, company and leased cars, Scope 3 electricity, employee cars, hotel stays, Scope 3 natural gas, Scope 3 other fuel types, public transport, and rail. The Scope 3 emissions sources that are currently excluded from our commitments and measurements are in some cases still being targeted internally for reduction interventions (for example, pensions). However, due to the impracticality of obtaining accurate emissions data, the associated costs or the immateriality to Save the Children UK, we have excluded them from the scope of this project at this time.

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FINANCIAL PERFORMANCE

We are extremely grateful to all our supporters for their continued generosity across all areas of our work despite the challenging economic times, and we are committed to ensuring our income is used efficiently, effectively, and responsibly by making every pound count.

HEADLINES

Our total income in 2022 was £294 million and our total spend was £286 million, an increase of £54 million and £50 million respectively on the previous year.

	2022 (£m)	2021 (£m)	Increase/ (Decrease)
Restricted income	215	164	51
Unrestricted income	79	76	3
Total income	**294**	**240**	**54**
Restricted spend	216	162	54
Unrestricted spend	70	74	(4)
Total spend	**286**	**236**	**50**

The strong growth in total income was due to our restricted income increasing by £51 million on 2021 which has been driven by our rapid and significant response to the war in Ukraine. In total we raised £33 million for Ukraine, with support coming from individual donors, corporate partners and institutional funders. While unrestricted income was up £3 million on 2021, at £79 million, it remains substantially lower than pre-pandemic levels as a result of the significantly reduced investment in fundraising made since 2020 to mitigate the loss of income caused by the pandemic. We have plans in place for 2023 to increase fundraising investment to drive future income growth.

INCOME

INSTITUTIONAL DONORS: £165 MILLION (2021: £132 MILLION)

The income we receive from our institutional donors is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world. Our overall income from institutional donors increased by £33 million in 2022 compared with 2021. This was mainly driven by the success of the Disasters Emergency Committee Ukraine appeal (£24 million in 2022) as well as an increase in funds from the United Nations (up £10 million on 2021) where we saw strong spend on UNOCHA awards in Ethiopia and Yemen.

INDIVIDUALS, LEGACIES AND COMMUNITIES: £68 MILLION (2021: £65 MILLION)

Income from individuals and communities was £51 million, up £5 million on 2021. Regular donations from individuals fell slightly – by £0.9 million – compared with 2021 as we have acquired fewer supporters than we lost due to our scaled back fundraising investment since 2020 in response to the pandemic. One-off donations were up £6.1 million, driven by the success of the Ukraine and Pakistan emergency appeals and our own fundraising events such as the Winter Gala. We received £17 million of legacy income in 2022, a decrease of £2 million on 2021.

CORPORATES, MAJOR DONORS AND TRUSTS: £45 MILLION (2021: £30 MILLION)

Income from major donors and trusts was £26 million, a £12 million increase on 2021 driven by the success of the Ukraine appeal and fundraising for our Emergency Fund. Strong relationships with our corporate partners generated £19 million in 2022, up £3 million on 2021.

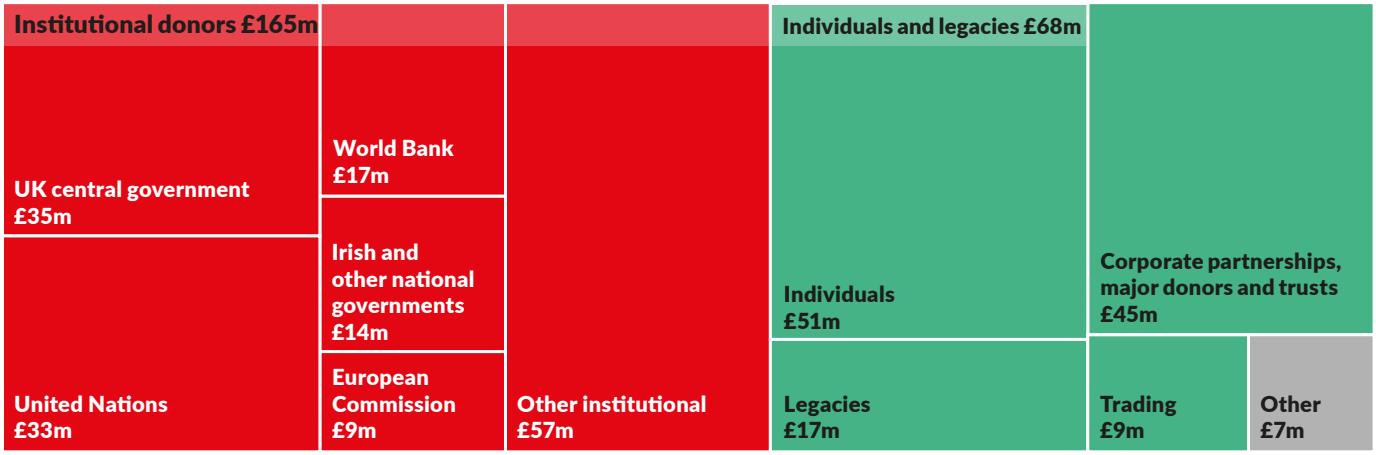
TRADING: £9 MILLION (2021: £7 MILLION)

Our shop income was £9 million, up £2 million on 2021 driven by continued recovery from the impact of the pandemic. In 2022 shops were open and trading all year, while in 2021, income was still affected by lockdowns. Our retail network is smaller than it was pre-pandemic because of the challenging economic environment and as we continue to focus on maximising returns.

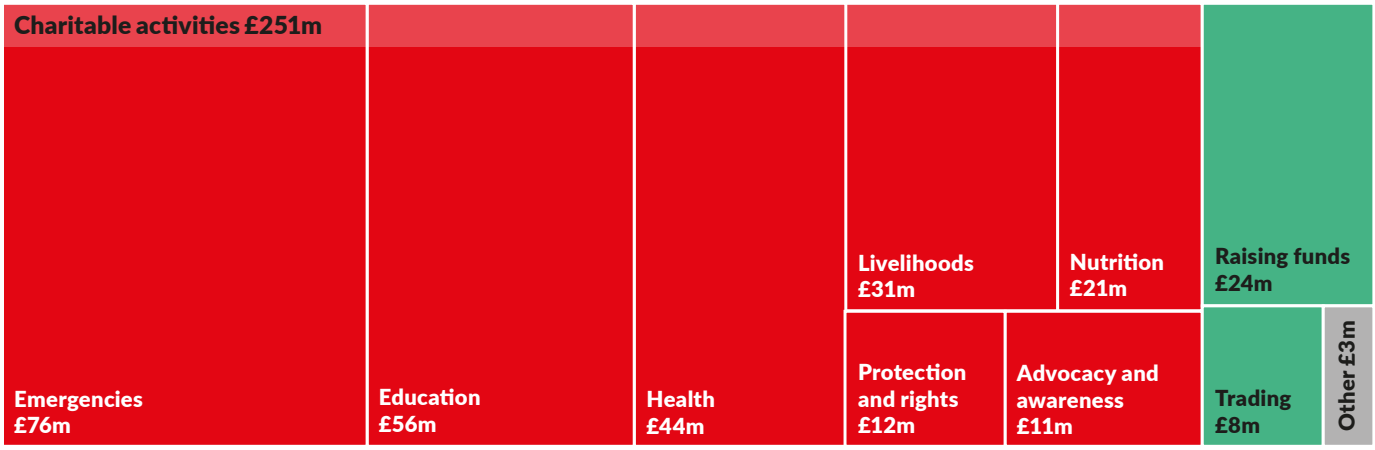
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2022 income and expenditure

Total income £294 million



Total expenditure £286 million



EXPENDITURE

Our total expenditure in 2022 was £286 million, an increase of £50 million on the previous year. This increase has been driven mainly by our response in Ukraine.

CHARITABLE ACTIVITIES: £251 MILLION (2021: £203 MILLION)

Our charitable expenditure includes £212 million directly on programmes in the UK and internationally; £8 million directly on advocacy and awareness; and £31 million on support costs for our programme, advocacy and campaigning work.

The diagram above shows our charitable expenditure broken down by thematic areas.

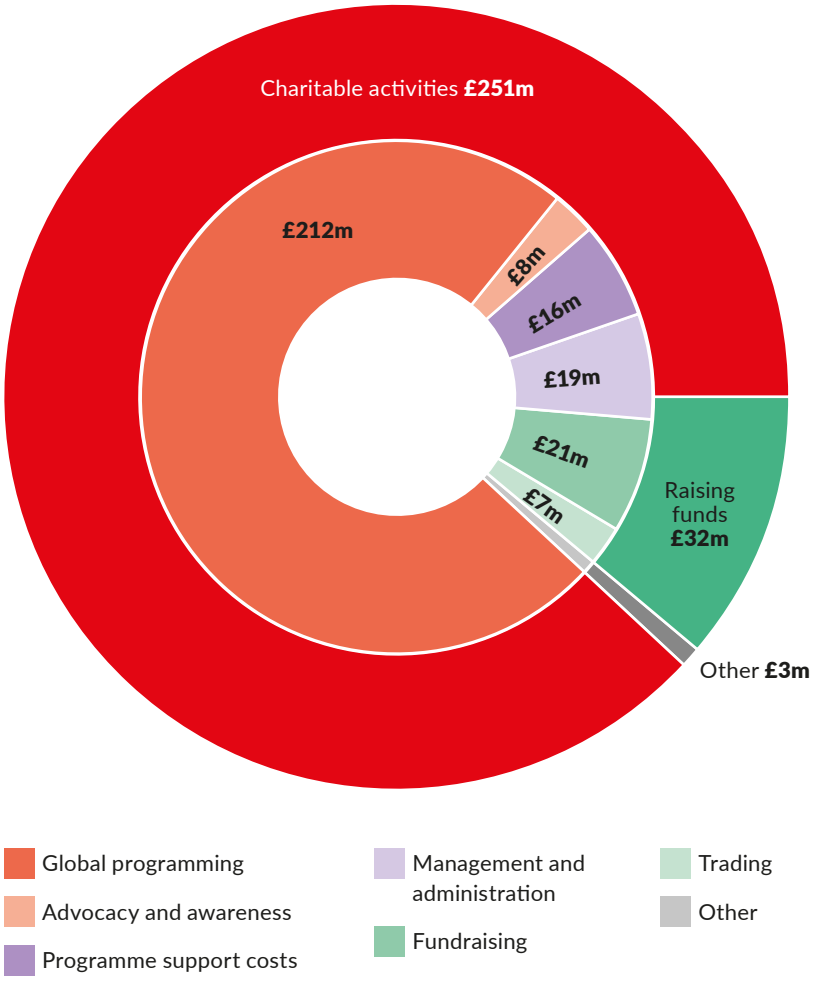
We spent £76 million responding to emergencies in 2022, which includes grant expenditure of £30 million through the Start Network, and £9 million through our humanitarian entity Elrha. Our health spending increased by £13 million to £44 million, mainly due to our UNOCHA-supported work in Ethiopia. Expenditure on education increased by £10 million to £56 million due to our Education Cannot Wait funded work in Uganda, Global Partnership for Education school feeding programme in Ethiopia and our work in Poland as part of the Ukraine response. Our expenditure on livelihoods also increased by £8 million to £31 million in 2022, primarily due to our Ukraine response.

Our UK-based spending on advocacy and awareness in 2022 was £8 million, in line with 2021. Included within our health spend in 2022 is a £2.2 million multi-year advocacy grant from the Bill & Melinda Gates Foundation.

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2022 expenditure

Total expenditure £286 million



Charitable activities – £251m includes
£212m on global programming
£8m on advocacy and awareness
£16m on programme support costs
£15m allocation of management and administration support costs

Raising funds – £32m includes
£21m of fundraising costs
£7m of trading costs
£4m allocation of management and administration support costs

Other – £3m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

RAISING FUNDS: £32 MILLION (2021: £31 MILLION)

Our spend on raising funds marginally increased in 2022 and was made up of £21 million on direct fundraising costs, £7 million of direct retail costs and a £4 million allocation of support costs. We also made efficiency savings which enabled us to spend more on holding fundraising events we had to stop during the pandemic, restarting face-to-face fundraising, and investing in a programme to replace our customer relationship management system. We spent £21 million (£20 million in 2021) on the direct costs of running our diverse fundraising channels and activities. Investment is still significantly lower than it was pre-pandemic but we are planning to increase this now our financial situation allows, to continue to drive income growth.

Direct spend on our retail shops was £7 million (£7 million in 2022). Retail costs in 2022 remained stable as they mostly comprise fixed overhead costs. Our shops operated at an overall loss of -£0.5 million in 2021 due to the closures early in the year, but 2022 saw our shops return to profitability as they were open all year, showing a profit of £1.1 million.

SUPPORT COSTS

In accordance with the statement of recommended practice for charities' accounting and reporting, our support costs are allocated over the functional areas they relate to, as shown in the pie chart above.

Management and administration support costs were £19 million in 2022, a decrease of £1 million on the previous year. This includes spending on finance, human resources, technology, legal and governance activities (such as child safeguarding), protection against fraud, and audit costs. While these costs are a necessary part of running the organisation, we continually look for efficiencies, so we can allocate more of our funds to delivering impact for children.

Programme support costs – those incurred in designing and monitoring programmes, and by Save the Children International in delivering programmes – were £16 million in 2022, in line with the previous year.

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TOTAL FUNDS

As at the end of 2022, the closing funds are made up of the following balances.

	2022 (£m)	2021 (£m)
General reserve	42.5	33.1
Revaluation reserve	3.3	5.9
Designated funds	4.4	6.1
Pension reserve	(0.1)	(0.1)
Total unrestricted funds	**50.2**	**45.0**
Restricted funds	14.7	14.0
Endowment funds	4.8	5.5
Total restricted funds	**19.5**	**19.5**

UNRESTRICTED FUNDS

General reserves of £42.5 million are the part of the charity's funds that are not restricted or designated to any particular purpose. The balance on the revaluation reserve is the unrealised gain on our investment portfolio. Designated funds are funds that have been invested in fixed assets, associates or programme-related investments or have been allocated for a specific purpose by the Trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve, these funds are not readily available so are not included in the calculation of general reserves.

RESTRICTED FUNDS

Restricted funds of £14.7 million represent funds that have been given for a particular purpose. The trustees have no discretion to reallocate them for other use. See restricted funds note 22 of the financial statements for further details of how this balance is split by region, specific appeal or thematic area. These balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset, the fund is permanent and only the income generated by the fund can be expended.

RESERVES POLICY

Our reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds at the discretion of the trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income; allowing time to adjust our cost base or business model
- incurring one-off costs that are not covered from donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are matched by highly liquid investments so that we can draw on them quickly if necessary. See further details in investments section below.

Our reserves range is reviewed annually. In 2022, our target reserves range was £30–40 million. Our closing general reserves of £42.5 million are therefore just above the target range. During 2023 we will invest some of the additional general reserves into fundraising to drive future growth in this income stream.

Ahead of approving the 2023 financial budget, the Board reviewed an update of the detailed risk assessment used to assess the level of general reserves appropriate for the charity to maintain. With regards to the potential liability relating to the Save the Children Defined Benefit Pension Scheme benefit review (see note 25h of the financial statements), in the event of an adverse ruling this would primarily be funded through a multi-year payment plan that would be agreed with TPT. We estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit. The trustees have determined it is appropriate to maintain a high level of reserves until 2024 (when a court ruling is anticipated to be made) and therefore have agreed to maintain the range of £30–£40 million for 2023.

INVESTMENTS

The trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of Save the Children's money that is not immediately required.

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice when markets are weak. We maintain the majority of our investments in equities and bonds to have the opportunity of long-term growth. While the portfolio reported a loss of £3 million in 2022, (following a gain of £3 million in 2021) the current market value of the investments is still higher than their book cost, as shown by the £3.3m held in the revaluation reserve at the end of 2022. The loss for the year was in line with losses incurred across world stock markets generally.

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PENSION SCHEME

The valuation of Save the Children's Defined Benefit scheme (a scheme in the TPT umbrella trust), for the purposes of FRS102, showed a funding surplus of £5.6 million at the end of 2022 (2021: surplus of £21 million). This surplus has not been recognised on the balance sheet as the charity is unable to recover the surplus through either reduced contributions or refunds from the scheme. The FRS102 valuation is different from the triennial actuarial valuation which was last formally performed in September 2020 with a funding update in September 2021. The September 2021 valuation showed a surplus of £12.1 million; it was therefore agreed with TPT that we would stop making deficit contributions in October 2021. As detailed in note 25h of the financial statements a review of scheme benefit changes is currently being undertaken.

We also have a Defined Benefit Growth Plan Scheme in the TPT, which had a deficit of £0.1 million at the end of 2022 (2021: deficit of £0.1 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children UK works in partnership with many organisations and during the year we provided grants to the value of £189 million. The largest amount of grant money was given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate emergency relief. Such grants help local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work with children. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

We closely monitor our financial performance throughout the year. The executive directors review monthly reporting on income, spend, reserves, debt and cash flow positions to achieve Board-approved targets. On a quarterly basis we provide financial analysis for review by the Finance Committee and Board. We also undertake quarterly reforecasts to enable us to review and respond to changing financial circumstances as and when they arise.

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. There are no external borrowings, and processes are in place to monitor cash flows in order to minimise liquidity risk. Goods and services purchased are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. In addition, we review assets and liabilities by currency on a monthly basis and, if required, reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children's financial performance and the General Reserves position for 2022. The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements ('the going concern period'), which considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

These forecasts assume ongoing pressures on the economy and the cost of living. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecast economic climate and its potential impact on our various sources of income and planned expenditure. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, as detailed in our General Reserves policy, we hold General Reserves to provide cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We will continue to monitor the situation as it unfolds and manage our finances accordingly.

Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

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ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

Save the Children UK believes effective risk management is key to successfully delivering our strategic priorities and achieving our ambitions for children.

PRINCIPAL RISKS AND UNCERTAINTIES IN 2022

2022 was dominated by uncertainties resulting from global conflict and soaring costs for families everywhere.

We closely monitored the effects of the ongoing economic turbulence on our own finances. We kept our expenditure under close control and continued to diversify our income streams.

Outside the UK, Save the Children's strategy and operating environment expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to work in conflict-affected and fragile states, and in humanitarian emergencies. This has implications for our risk profile. During 2022, we worked closely with the Save the Children movement and our funding partners to meet the challenges and manage the risks to our international programmes.

HOW WE MANAGED OUR PRINCIPAL RISKS IN 2022

As we entered the new strategy period, managers and trustees revisited our risk profile to ensure it reflected the shifting challenges ahead.

Despite a challenging year, most of our principal risks remained stable during 2022. That's because we used agile mitigation strategies, set out in the table below, in response to changing threats and priorities. We considered our principal risks against our agreed risk appetite, which were then reviewed and challenged by the Audit and Risk Committee and Board of Trustees in risk updates throughout the year. They considered the potential impact of risks on the organisation and its ability to achieve its ambitions for children.

Risk movement in 2022

▲ Increased ▶ Stable ▼ Reduced

Principal risk	Risk mitigation strategy
Impact for children ▶ Failure to work effectively with Save the Children International and other partners to develop strong country strategies, design evidence-based programmes and implement them effectively will limit the impact of our programmes and advocacy.	We work closely with Save the Children International to design and deliver our international programmes and have robust arrangements in place to monitor their effectiveness. In 2022, we focused on managing risks to the design and delivery of our UK and international programmes, adapting to the needs of children. With our partners, we designed and delivered support for children and families in the world's toughest places. Our Board of Trustees received updates about our UK and international programmes throughout the year.

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Principal risk	Risk mitigation strategy
Safeguarding the children and adults we work with If we do not have adequate systems to prevent and respond to safeguarding incidents, children and adults may be harmed and confidence in Save the Children's ability to deliver its mission may be compromised.	We continue to invest in our safeguarding arrangements, ensuring that they are robust, survivor-centred and reflect the environments in which we work. In 2022, we strengthened our approach to safeguarding by identifying and training 30 staff to become safeguarding leads within their teams. We helped all of our staff recognise their individual day-to-day responsibilities for managing safeguarding risk systems and controls, and helped teams to understand and address the specific safeguarding risks within their work. We have a set of policies and procedures to help ensure the safety and wellbeing of the children and families we work with. These include a new survivor-centred protocol and standard operating procedure for case management, robust pre-engagement checks for staff and volunteers, mandatory training and reporting requirements, and a robust code of conduct. Our arrangements are routinely subject to independent audit and review. We recognise the need to continuously work on and improve our controls and processes. In 2022, we also launched a new online incident-reporting and case-management system to ensure a rapid and effective response to any safeguarding concerns. And we ran an exercise across every team in the organisation to identify our strengths and weaknesses in safeguarding, followed by targeted work to strengthen any identified weaknesses. We strengthened our internal safeguarding systems using insights gained from analysis on the best ways to reduce barriers to reporting concerns. Our Board of Trustees and Safeguarding Committee received regular updates on the effectiveness of our safeguarding measures, the progress against any audit actions and our Safeguarding Strengthening plan.
Health and wellbeing of our staff and volunteers Failure to protect our staff and volunteers from health and safety incidents and promote wellbeing could harm our people and expose Save the Children to regulatory action.	We have health and safety policies and procedures in place for both UK and international contexts. Specialist staff provide advice on both physical health and mental wellbeing. We continued supporting homeworking arrangements, providing staff with office equipment and advice on how to work safely at home. Our Wellbeing team provided direct support to staff and pointed them towards mental health resources. Our Audit and Risk Committee and Board of Trustees received regular reports on health and wellbeing during the year.
Programming in complex environments We face a range of risks to staff safety and security in the complex environments where we work. Such environments also bring risks of fraud, bribery, corruption and inadvertently working with (or assisting) prohibited parties.	Save the Children International delivers most of our overseas programmes and is responsible for managing operational risks in the challenging environments where we work. In 2022, we worked closely with Save the Children International to mitigate those risks. We deployed staff to provide programme support and trained them to manage the risks we face in delivering programmes, including risks related to security, fraud, corruption and diversion of aid. We provided staff deployed to humanitarian crises and conflicts with support for their mental wellbeing. Our Audit and Risk Committee received regular fraud reports throughout the year, as well as reports on our safety and security arrangements.
Meeting regulator, donor and supporter expectations Failure to meet the compliance expectations set by our regulators and donors would affect our ability to fundraise and operate in the UK. We must stand up to scrutiny from stakeholders, including the media and supporters.	Our governance arrangements are underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet our legal and regulatory obligations. We deliver fundraising and marketing activities in line with our Supporter Promise, being open about the standards we hold ourselves to when communicating with our supporters. Our Audit and Risk Committee and Board of Trustees received regular updates on compliance.

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Principal risk	Risk mitigation strategy
Workplace culture Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers, and could lead to reduced trust in Save the Children UK.	All staff sign a Code of Conduct to promote compliance with employee relations policies. We continued to implement a comprehensive programme to build a more positive workplace culture and strengthen our people management capabilities. In 2022, we held an all-staff event to bring teams together to help develop our shared purpose and principles, fostering collaboration and teamwork. Our People and Culture strategy is regularly reviewed by our People Committee and Board of Trustees.
Attract, engage and retain talented people Our people are our greatest asset. If we fail to attract, engage and retain the best staff, we're less able to make a difference for children.	All our staff agree clear personal objectives which help them to understand their contribution to our vision and mission. We monitor engagement and conduct regular staff surveys to understand how staff are feeling, taking corrective action where we fall short. We have also revised our wellbeing service for staff, focusing on mental health and wellness. In 2022, our attrition rate remained above target and we are continuing to look at ways to reduce this. This includes reviewing our pay and grading structure so that we remain an attractive employer and better support career pathways for staff.
Safeguarding confidential and sensitive information If we, or one of our suppliers or partners, lose or allow unauthorised access to the data we hold on children and their families, supporters, staff, volunteers or partners, it could cause harm to those individuals and lead to regulatory action against Save the Children.	We have mandatory training on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents. We also maintained our Cyber Essentials certification. Following an internal audit of our cyber security towards the end of 2021, we continue to strengthen and develop this area of risk. In 2022, this included holding dedicated sessions with senior management and Trustees to ensure our leaders have the information, skills and experience they need to understand and manage cyber security risks. Our Audit and Risk Committee and Board of Trustees received regular updates on our compliance with data protection policies.
Financial stability External shocks or trends affecting our income, cash flow or reserves could put our future financial stability at risk.	We monitor our actual and forecast financial performance continuously so that we can take the appropriate measures in good time. In 2022 we saw strong growth in our restricted income driven by our response to the war in Ukraine and as a result of our continued donor diversification strategy. While unrestricted income was up £3 million on 2021, it remains substantially lower than pre-pandemic levels as a result of the significantly reduced investment in fundraising made since 2020 to mitigate the loss of income caused by the pandemic. We have plans in place for 2023 to increase fundraising investment to drive future income growth, while maintaining a strong level of general reserves to reflect the increased uncertainty of our calculation of the defined benefit pension liability. To inform their decisions, our Finance Committee and Board received updates on actual and forecast financial performance throughout the year. See also page 42 for financial risk management.

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CONTINUOUS IMPROVEMENT IN HOW WE MANAGE RISK

In 2022, work continued to develop how we can strengthen and structure the first and second lines of our risk management 'three lines' model (see diagram below) to better manage key risks. This included aligning our areas of risk more directly with our organisational objectives to further support strategic decision-making and improve effectiveness.

We launched a new incident-reporting and case-management system to help us better manage incidents and near misses across the charity. The system is being closely monitored and evaluated to help us learn and gather feedback, while processes are further embedded across our teams.

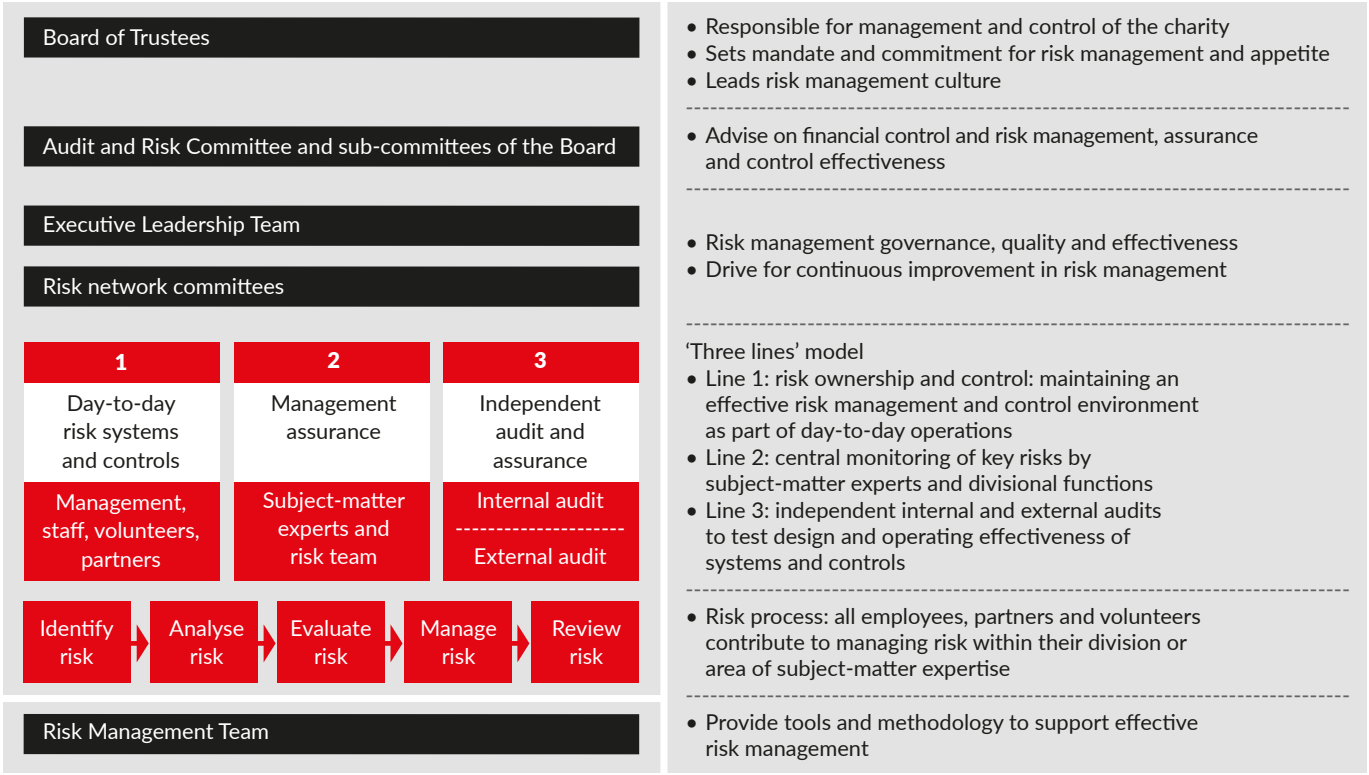
WORKING TOGETHER TO MANAGE SHARED RISKS

The Save the Children movement operates through a networked structure, and members share exposure to financial, operational and reputational risks. We therefore work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. In 2022, the movement came together to work on honing how we share information on controls and assurance in our international programme work.

INTERNAL AUDIT

In 2022, our internal audit function was delivered by Save the Children International's Global Assurance team. Risk-based audits were conducted across key areas such as Trading and Retail, International Programme Management, and Media Engagement. Internal audit reports were shared with the relevant executive director, as well as the Audit and Risk Committee. Progress on agreed audit actions were reviewed by the Audit and Risk Committee.

ROLES AND RESPONSIBILITIES FOR MANAGING RISK



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HOW WE WORK

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

At Save the Children UK, accountability is a fundamental principle and a thread that runs through our 2022–24 strategy. It is essential for building and maintaining the trust of our stakeholders, ensuring donor confidence and supporting our people to achieve our objectives. Every individual and team has a role to play in ensuring:

1. **Dynamic accountability** – building meaningful relationships with children, supporters, staff and partners to understand their needs and establish and build on shared values.

2. **Strategic accountability** – doing what we say we will do by having the greatest impact for children.

3. **We use resources responsibly and do no harm** – putting safeguarding, financial accountability and environmental responsibility at the heart of our decision-making and governance.

The needs and priorities of children and communities are central to our approach to dynamic accountability. The pillars on which we stand are shared values, a mutual understanding of how our stakeholder relationships work, and delivering on our commitments with integrity.

Our 2022–24 strategy calls on us to work more closely with children than we have before, listening more intently and further amplifying their voices. We are shifting power and resources to children, communities and our local partners, in the UK and globally. We will be bolder in speaking out and building the power of children and our allies to do so themselves. Our Youth Advisory Board helps us hold true to putting children's rights at the heart of everything we do.

We are also developing more strategic, shared-value partnerships to co-create lasting impact, and reinventing our relationships with our supporters, making them more meaningful and long term.

We strive for the highest level of transparency in our reporting so our supporters can hold us to account. Since 2012 we have voluntarily published timely, detailed and comparable information on our programme spend through the International Aid Transparency Initiative, which is accessible to all our donors and supporters.

Please visit the accountability page on our website for further details on how we ensure we are accountable to our stakeholders.

GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we must ensure that we live up to the standards and regulations that we demand of all actors influencing children's lives. Globally, Save the Children adheres to national and international standards and regulations. We are also committed to supporting the implementation of internationally recognised conventions, above all the United Nations Convention on the Rights of the Child, but also the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, the Geneva Conventions, the United Nations Refugee Convention and the United Nations Convention on the Rights of Persons with Disabilities. For example, in 2022 Save the Children supported the development of the Global Acceleration Plan for Gender Equality to promote the rights of women under the Convention on the Elimination of All Forms of Discrimination Against Women. Our work to deliver our commitments to the plan was recognised by UN Women's first progress report on the plan's implementation as exemplifying efforts to support feminist leadership.

We also endorse the Make My Money Matter pledge, a campaign for more ethical pensions, and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation. We are signed up to the UN Global Compact, which aims to mobilise a global movement of sustainable companies and stakeholders to create the world we want. Members of the movement should seek to do this by aligning their strategies and operations with the Ten Principles on human rights, labour, the environment and anti-corruption. They should also take strategic actions to advance broader societal objectives, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

SAFEGUARDING

We do everything we can to make sure everyone who comes into contact with us or our partners has a safe, supportive and empowering experience, free from all forms of abuse, harm and harassment. We are particularly vigilant when it comes to safeguarding children.

During 2022, we significantly strengthened our safeguarding systems, ensuring they are survivor-centred, robust and effective. This work included:

- developing and launching a new survivor-centred protocol, which embeds child- and survivor-centred principles across all of our safeguarding work

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- launching a new online incident-reporting and case-management system to ensure a rapid response to any safeguarding concerns
- transforming our approach to safeguarding by identifying and training more than 30 safeguarding leads across the organisation, supporting staff to recognise their individual and team safeguarding responsibilities
- running a safeguarding self-assessment process across the organisation, followed by targeted work to strengthen weaker areas
- leading an internal campaign to increase the reporting of safeguarding concerns, with a particular focus on lower-level concerns and near-misses, to help us identify gaps and strengthen our safeguarding systems
- redeveloping our internal training materials for both induction and refresher training, including creating an e-learning course, accessible for volunteers
- consulting on, developing and launching our safeguarding strategy and implementation plan for 2023–24.

For more information on our safeguarding activities, please see our Annual Trustee Risk Statement on page 43.

SAFEGUARDING INCIDENT REPORT 2022

Category	2022	2021	2020
Initial review	16	9	10
Initial fact finding	24	6	4
Full investigation	4	7	7
Total	44	22	21

We take all safeguarding reports seriously and investigate all allegations of potential abuse and harm in accordance with our procedures. We are committed to taking a clear survivor-centred approach and offer support routinely to those affected. Of the 44 reports received in 2022 in the UK:

- 16 reports required the Safeguarding team to proceed with an initial review. These reports were not related to our work, or staff or volunteer conduct, but still required the Safeguarding team to take action to protect a child or adult at risk (for example, by sharing information with the relevant local authority or requesting a welfare check from the police).
- 24 reports contained no allegation of harm, and only required a fact-finding exercise by the Safeguarding or HR team. A fact-finding exercise identifies 'near misses' and potential weaknesses in our Safeguarding systems or risk assessment processes. It allows the organisation to correct these rapidly, or further build our best practice.
- Four reports met the threshold for a safeguarding investigation. Two of the reports concerned sexual harassment by a volunteer. These allegations were substantiated, and the volunteers involved dismissed. One case related to aggressive behaviour by a volunteer. This was partially substantiated, and action taken in accordance with our policies. The fourth report related to a staff member's conduct overseas and this was found to be unsubstantiated. None of these reports met the threshold for a serious incident, and none required reporting to the police.

INTERNATIONAL PROGRAMMING

We work with Save the Children International to deliver our internationally funded programmes. Together we strive to ensure the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its trustees' report.

FUNDRAISING COMPLIANCE

We comply with all relevant statutory regulations, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003 and the Telephone Preference Service. We strive for best practice in fundraising by complying with a range of codes of practice and standards. This includes being a member of the Institute of Fundraising and being registered with the Fundraising Regulator and adhering to its Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children UK can report a concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money. This includes working with philanthropists and corporate supporters, through our chain of charity shops, via volunteer community fundraising groups, using advertising on TV and social media, through mass events such as Christmas Jumper Day, and by talking to our existing supporters. Our internal team conducts much of this activity, but we also engage professional fundraising agencies to speak to existing supporters on the phone, door to door and on private sites.

DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal Policy ensures that we do not compromise our mission and values when it comes to raising income. The Donation Acceptance Committee considers potential high-risk donations to Save the Children UK (see page 55). In 2022, we identified 67 potential high-risk funding opportunities from a variety of individuals, companies and trusts, and across sectors ranging from retail to finance. We proceeded with 56 of

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these opportunities and turned down 11 due to concerns that the nature of the potential donors' activities conflicted with our work, values and commitment to children. In line with all organisational policies, the Donation Acceptance and Refusal Policy is reviewed formally every two years. The next review is due in 2023.

TREATING SUPPORTERS FAIRLY

We have continued to ensure that supporters and members of the public are afforded the highest levels of support, respect and protection. Guidance for fundraisers on treating our supporters fairly, including protecting supporters in vulnerable circumstances, is followed across all our fundraising activities, and we train supporter-facing teams and our fundraising agencies on it. It is also a key consideration when we monitor our fundraising.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages professional fundraising agencies to undertake fundraising on our behalf through telephone and face-to-face fundraising, which are conducted both door to door and at private sites. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising conducted on our behalf meets the highest standards, complies with all relevant regulation, and embodies Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of mystery shopping, site visits, call monitoring, contract monitoring and regular meetings, and we train fundraisers on our expectations. We report our findings to our Audit Committee on a regular basis.

COMMERCIAL PARTICIPATORS

Save the Children UK works with corporations that sell goods and donate a proportion of the proceeds to us – they're called commercial participators. In 2022, we benefited from 25 new commercial participator agreements and eight ongoing multi-year partnerships. This year we have worked with companies in various sectors, ranging from retail to publishing.

RAISING A COMPLAINT OR CONCERN

We know there are times when we do not meet the high standards we set ourselves as an organisation. When this happens, we ensure the problem is investigated and steps are taken to prevent it happening again.

We are continuously improving our fundraising and marketing practices, ensuring our supporters are at the heart of decisions about our fundraising. Nevertheless, we do receive complaints.

We classify a 'complaint' as an expression of dissatisfaction in a specific aspect of our activities, addressed directly to us via email, letter, telephone or instant messaging services.

In 2022 our supporter-facing teams received 465 public complaints (269 in 2021). No complaints were investigated by the Fundraising Regulator.

The increase in complaints is primarily for two reasons. First, the recommencement of face-to-face fundraising activities. Second, the decision to decline a gift from Neptune Energy, a fossil fuel company.

Save the Children UK will continue to take a principled stand on important issues affecting children, which may generate complaints when the issues are complex and controversial. Complaint rates will inevitably vary from year to year and are likely to increase again in 2024 as we return to pre-pandemic levels of fundraising activity.

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Regulator's complaints reporting guidelines, Save the Children UK is committed to fair, honest and open fundraising practice. For further details on our complaints procedure, please see our website.

Subject of complaint	Number
Governance, strategy and policy	171
Fundraising (gift administration)	165
Fundraising (methodology and solicitation)	110
Trading	11
Our work	7
Advocacy and campaigns	1
Total	**465**

OUR APPROACH TO PAY AND OVERHEADS

We are committed to being a kind, agile and inclusive organisation so that we can be the best version of ourselves to deliver for and with children. Securing the right people is key to delivering our strategy. One of the ways we do this is by paying our colleagues a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

We are accredited by the Living Wage Foundation and committed to three key principles for pay:

- equality/fairness
- responsible financial management
- market competitiveness in line with the wider charity sector.

We pay all colleagues a living wage of at least £11.95 per hour in London and £10.90 per hour in the rest of the UK.

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We awarded our colleagues a 3% pay increase in April 2022, after financial constraints prevented us increasing pay in 2021.

2022 was a tough time financially for many people. With that in mind, everyone who worked for Save the Children UK below Executive Director level received a taxable £500 cost of living crisis allowance in additional to their regular salary, spread across the six months of October 2022–March 2023.

We also conducted a pay review in May 2022, focusing on reducing our gender and ethnicity pay gaps.

We've faced similar challenges in attracting and holding onto talent as the rest of the sector. We're looking at ways to develop a 'total reward' approach that looks at factors beyond pay – such as working environment, hybrid working and more flexible working.

We acknowledge that debates over pay – and executive salaries, in particular – are important and reflect genuine public concerns. We are committed to achieving the right balance between recognising these concerns and ensuring our salary levels help attract the talent we need to run an effective and efficient impact-driven multinational organisation. The People Committee oversees our Pay Policy and decides on the salaries of our Chief Executive and executive directors (see page 51).

We publish our approach to pay, including details on our gender pay gap and ethnicity pay gap, in detail on our website. We have also signed the pledge to Show the Salary.

For further details on salary and pension costs, please see note 8, page 73, and note 25, page 89, in the financial statements.

GENDER PAY GAP

Save the Children UK is committed to achieving gender equity in pay. Our values demand that women and men are equally rewarded for their contribution. Through our programme, policy and campaigning work, we strive to support gender equity around the world. We are working towards ensuring that our organisation reflects the commitment to equity we demand of others.

In 2022, our staff was 73% female and 27% male. We saw a decrease in our gender pay gap, meaning that while men were paid on average more than women, the difference is less than it was.

- The median pay for men was 3% higher than for women (5% in 2021). The national median gender pay gap is 8.3% according to provisional figures from the Office for National Statistics.
- Mean pay for men was 4.9% higher than for women (7.6% in 2021).
- There was a 2.5% increase in female representation in the upper paid quartile.
- The mean gender pay gap at our senior grades A–C was 0.8% (3.8% in 2021). At grades D–H the gap was 6.5% (8.7% in 2021).

We are committed to removing the barriers that lead to our gender pay gap.

We do not operate a bonus pay scheme.

ETHNICITY PAY GAP

We published our ethnicity data and pay gap for the first time in October 2020. We're now committed to publishing our data every year, and to closing the gap. These reports can be found on our website.

The ethnicity pay gap is the difference between the average hourly pay of BAME colleagues and white colleagues, expressed as both median and mean.

- Our median ethnicity pay gap as of 5 April 2022 was 5.3% (5.3% in 2021).
- Our mean ethnicity pay gap as of 5 April 2022 was 3.8% (3.5% in 2021).

In April 2022, our colleague profile was 69% white, and 20% BAME, with no data available for the remaining 11%. The 11% non-disclosure of ethnicity can skew the overall data.

We've had a 12% increase in the headcount of BAME colleagues. At grade D the ethnicity pay gap has now narrowed to 0.4%. Grades A–E still have a pay gap in favour of white colleagues, but grades F and G have slight pay gaps in favour of BAME colleagues.

There is a 6.8% pay gap between white and black colleagues, 4% between white and Asian, and 6.3% between white and colleagues from 'other' ethnicities. Changes in these gaps are very sensitive to the rates of new starters and leavers, so staff retention is key to reducing the gaps further.

The pay gap data shared is in line with reporting requirements for April 2022. However, in May 2022, we also conducted pay reviews to help us more effectively address our ethnicity and gender gaps. These reviews enabled us to narrow our mean ethnic pay gap further to 2%. But our mean gender pay gap actually increased slightly – by 0.05% to 4.97% – after the departure of some female colleagues at senior grades in April.

We are committed to working towards closing the gender and ethnicity pay gaps further through:

- reviewing salary offers with managers and HR to ensure they are equitable
- delivering inclusive recruitment training to promote fair and bias-free recruitment practices
- encouraging colleagues to update equality and monitoring data to increase the accuracy of ethnicity pay reporting

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- the work of the equal pay working group, chaired by Executive Director of Organisational Effectiveness Pria Rai, which is leading strategically to continue narrowing the gaps.

EXECUTIVE DIRECTOR REMUNERATION IN 2022

The trustees delegate the day-to-day running of the organisation to the executive directors, who are considered the key management personnel. Compensation for all executive directors employed at Save the Children UK for the year ending 31 December 2022 is detailed here.

Our Chief Executive Officer is paid a full-time equivalent annual salary of £143,000. The pay ratio of our CEO's pay to our employees is as follows:

- Upper quartile (£52,250): 2.7:1 (2.9:1 in 2021)
- Median pay (£44,283): 3.2:1 (3.3:1 in 2021)
- Lower quartile (£36,825): 3.9:1 (4.1:1 in 2021)

Position	Responsibility	Actual gross salary† 2022	Full-time equivalent annual salary	
			2022	2021
Chief Executive Officer Gwen Hines	Provides overall leadership to the organisation, working with the Board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£143,000	£143,000	£143,000
Executive Director of Global Programmes Adam Berthoud (Appointed as permanent executive director from 01/03/2022)	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£116,432	£118,450	£105,000
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy and campaigning work, encouraging decision-makers in the UK and around the world to deliver for children.	£117,588	£118,450	£115,000
Chief Finance and Technology Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children. From 1 September 2022 also responsible for the digital, technology and change teams.	£121,438	£130,000	£115,000
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children UK through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£117,588	£118,450	£115,000
Executive Director of People Pria Rai	Responsible for the recruitment, support and development of our team of 893 staff, and for initiatives to improve our people management capabilities and employee experience.	£122,700	£123,600	£120,000

† *Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of annual pay rises that take effect in April each year and pay adjustments reflecting changes to role. In addition to the gross salaries, £147,337 was paid for employer's national insurance, pension contributions and life insurance in respect of the above individuals.*

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STREAMLINED ENERGY AND CARBON REPORTING

Save the Children UK has measured the carbon emissions of our UK operations since 2011. This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1st January 2022 to 31st December 2022 pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2021 and 2022 conversion factors as applicable. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period, we have continued to make improvements at our Farringdon offices in particular with upgraded LED lighting, controls and processes combined with improved BMS visibility. Additionally, smart meters continue to be rolled out across the utility supplies at our shops.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio. Our SECR data has been developed with the generous support of Purchase Direct.

	1 January–31 December 2022	1 January–31 December 2021
Total energy consumption – used for emissions calculation (kilowatt hours)	**2,494,573**	2,905,537
Combustion emissions, scope 1 (tonnes of carbon dioxide equivalent (tCO_2e))	**99**	159
Purchased electricity emissions, scope 2 (tCO_2e)	**347**	270
Vehicle fuel combustion emissions, scope 1 (tCO_2e)	**23**	27
Vehicle fuel combustion emissions, scope 3 (tCO_2e)	**18**	57
Total gross reported emissions (tCO_2e)	**486**	513
Staff	**844**	877
Intensity ratio: staff (tCO_2e/staff member)	**0.58**	0.58

† *Pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy. Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by the Department for Environment, Food and Rural Affairs, using their 2021 conversion factors. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.*

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STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

Save the Children UK is a member of the Save the Children Association (SCA), a global movement made up of 30 separate national members and Save the Children International (SCI). SCI was established in 2011, and has responsibility for implementing international programmes outside SCA's member countries through its network of 61 country offices and three independent national offices. Save the Children International is registered as a charity in England and Wales, and SCA is its sole member.

Save the Children Association members are responsible for programming, advocacy and fundraising in their own countries, as well as overseeing the international work. Some members, including Save the Children UK, also design international programmes in conjunction with national donors, which are implemented by Save the Children International. These members provide surge capacity to support the delivery of frontline programmes in emergency situations. Financing for international programmes is provided by 17 members, including Save the Children UK.

In November 2022, the Save the Children Association launched Save the Children Global Ventures, a new entity designed to catalyse private sector investment to transform the lives of the world's most disadvantaged children and their communities. Building on its experience managing a portfolio of social enterprises and an impact investment fund in Australia since 2020, Save the Children Global Ventures will address urgent problems by leveraging innovative finance models, technology-based solutions and our global platform, to support social enterprises and drive impact at scale.

SAVE THE CHILDREN UK

Save the Children UK is a charitable company limited by guarantee, incorporated under the name of Save the Children Fund. The charity's Articles of Association provide that its trustees (who are also the directors of Save the Children for the purposes of company law) are the only members of the charity. The business of the charity is governed by the Board of Trustees (whose members during the year are listed below). The trustees are responsible for overseeing the management of all the affairs of Save the Children UK and delegate day-to-day management of the organisation to the Chief Executive and executive directors.

Save the Children Fund (1 St John's Lane, London, EC1M 4AR) is a limited company registered in England and Wales (178159) and a registered charity in England and Wales (213890), Scotland (SC039570) and Isle of Man (199).

TRUSTEES* + COMMITTEES**

Dr Tsitsi Chawatama-Kwambana (Chair)	N, S, ST
Richard Winter CBE (Hon. Treasurer; Co Vice Chair)	A, F, I
Arabella Duffield (Co Vice Chair)	A, D, S
Jahnine Davis (resigned 02/08/2022)	S, ST
Anne Fahy	
Jessica Gladstone	D, S
Razia Khan	D, A
Dianna Melrose	N, W
Kajal Odedra	N, P
David Ripert	P
Babatunde Soyoye	F
Mark Swallow (retired 31/05/2023)	A, F, I
Gordon McFarland (appointed 24/01/22)	P
Catherine Doran (appointed 01/12/22)	S, ST
Timothy Fallowfield (appointed 23/02/23)	A, F

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS + COMMITTEES**

Louise Hall	I
Stephanie Limond	I

* Trustee biographies are available on our website

** Committee membership as at 31 December 2022 or as of resignation/ retirement date

Committee	Chair
(A) Audit and Risk Committee	Timothy Fallowfield (Mark Swallow retired 31/05/2023. Timothy Fallowfield appointed as Chair 01/06/23.)
(F) Finance Committee	Richard Winter
(I) Investment and Pensions Subcommittee	Richard Winter
(D) Donation Acceptance Committee	Jessica Gladstone
(N) Nominations Committee	Dianna Melrose
(P) People Committee	Gordon McFarland (David Ripert appointed as Interim Chair 04/10/2021, resigned 31/03/2022. Gordon McFarland appointed as Chair 01/04/2022.)
(S) Safeguarding Committee	Catherine Doran (Jahnine Davis resigned 02/08/2022. Tsitsi Chawatama-Kwambana appointed as Interim Chair 15/08/2022, resigned 01/12/2022. Catherine Doran appointed 01/12/22.)
(ST) Safeguarding Trustee	Catherine Doran (Jahnine Davis resigned 02/08/2022. Tsitsi Chawatama-Kwambana appointed as Interim Chair 15/08/2022, resigned 01/12/2022. Catherine Doran appointed 01/12/22.)
(W) Whistleblowing Trustee	Dianna Melrose

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EXECUTIVE DIRECTORS as at 31 December 2022

Gwen Hines	Chief Executive Officer
Adam Berthoud	Executive Director of Global Programmes
Francis D'Souza	Chief Finance and Technology Officer
Gemma Sherrington	Executive Director of Fundraising and Marketing
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Executive Director of Organisational Effectiveness

COMPANY SECRETARY

Omobonike Bracewell (appointed 27/03/23)

Abra Edwards (appointed 04/10/22, resigned 27/03/23)

Habibunnisha Patel (resigned 09/09/22)

PRINCIPAL PROFESSIONAL ADVISORS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR KPMG LLP
15 Canada Square, London E14 5GL

PRINCIPAL BANKER
National Westminster Bank
PO Box 83, Tavistock House, Tavistock Square
London WC1H 9NA

PRINCIPAL INVESTMENT MANAGER
Newton Investment Management Ltd
BNY Mellon Centre, 160 Queen Victoria Street
London EC4V 4LA

PRINCIPAL LEGAL ADVISER
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

EXTERNAL AUDITOR

KPMG LLP has expressed its willingness to continue to act as auditor. A resolution to reappoint it, under section 485 of the Companies Act 2006, was approved at the Board of Trustees' meeting on 22nd June 2023.

SAVE THE CHILDREN UK GROUP MEMBERS

Save the Children UK has five subsidiaries, of which the first three listed below are operational:

- **Elrha** aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children UK and was established as an independent subsidiary charity in May 2018.
- **Save the Children (Sales) Limited** aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and through trading new goods through our shops, branches and website.
- **Humanitarian Leadership Academy (Enterprise)** aims to enable people around the world to prepare for and respond to crises in their own countries and generate income for Save the Children UK.
- **Humanitarian Leadership Academy** was designed and developed within Save the Children UK and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children UK in 2019, and it no longer has any independent operating activity.
- **Medical Emergency Relief International (Merlin)** aims to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities have now been fully transferred to Save the Children UK, after Save the Children UK became the sole member of Merlin in 2013. As a result, Merlin no longer has any operational activity.

The results of each subsidiary are consolidated into the group accounts. For further details, see note 1 on page 65 and note 14 of the financial statements on page 77.

GRANT CUSTODIAN FOR START NETWORK

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. Only income and expenditure of awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised.

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HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees is responsible for ensuring that all the organisation's agreed charitable objectives and activities are within UK law. Its work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out clearly in the Standing Orders of Save the Children UK.

The Board acts on advice and information from regular meetings with the Chief Executive and executive directors. Trustees are able, where appropriate, to take independent professional advice if it helps them fulfil their role. We also agree and implement an individual induction programme for each new trustee, covering all aspects of the role and the organisation.

In 2022, the Board held four hybrid meetings to review our overall progress – on the basis of reports from the Chief Executive and Executive Leadership Team – and to assess the organisation's financial position and risks. During these meetings it:

- reviewed the charity's performance in delivering against our objectives in 2022 and our three-year strategy for 2022–24
- monitored the organisation's principal risks and progress on people and culture change
- agreed our budget for 2023
- monitored the impact of the charity's work and consulted with the organisation's Youth Advisory Board.

The Board also held a number of ad hoc meetings to discuss operational and financial matters with executive directors. These matters included the charity's annual report and accounts, a question concerning the charity's Donation Acceptance and Refusal Policy, and a Board away day.

As of 31 December 2022, there were eight women and five men on the Board of Trustees, four of whom identify as people of colour.

The Board has delegated specific responsibilities to six regular committees (the Audit and Risk, Finance, Donation Acceptance, Nominations, People, and Safeguarding committees) and one subcommittee (Investment and Pensions) whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

- The **Audit and Risk Committee** oversaw preparation of the 2021 annual report. It reviewed the assurances provided to trustees about the control environment in operation during 2022, and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2022, and received reports of completed reviews and agreed actions. The committee was updated on the management of key risks across a number of topics, including programming, safeguarding, fundraising and marketing, health and safety, security, finance, insurance, whistleblowing, people management, fraud, advocacy and campaigns, information management (including cyber security), data protection and subsidiaries management. For more information, please see the Annual Trustee Risk Statement on pages 43–46. The committee met six times in 2022.
- The **Finance Committee** reviewed the financial results from 2021 and in-year forecasts for 2022, discussed the 2023–25 financial model and supervised preparation of the 2023 budget. The committee also oversaw activities of the subsidiary entities, approved all Save the Children UK decisions to accept awards worth more than £10 million, and reviewed quarterly treasury updates. The committee met four times in 2022.
- The **Investment and Pensions Subcommittee** is an advisory subcommittee of the Finance Committee. It met five times in 2022 to review the performance of Save the Children UK's investment manager and pension funds.
- The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity – and ultimately, in the best interests of children – to accept a donation or not. The committee is made up of three trustees and three executive directors. Information was shared with the committee by email throughout the year, and the committee met twice in 2022. More information on the donation acceptance and refusal process can be found on pages 48–49.
- The **Nominations Committee** finds and recommends potential candidates for election to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the current Board. It manages a formal, rigorous and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with good governance practice under the Charity Governance Code. It considers appointments to the charity's Board committees. The committee is responsible for promoting diversity and inclusion at Board level, and ensures new trustees are recruited in a way that encourages diversity and inclusivity. It is also responsible for leading the trustee self-assessment and review process, including an annual review of the Chair's performance, as well as an annual trustee skills audit. The committee met four times in 2022.

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- The **People Committee** oversees the organisation's work on its people and culture, and performance and pay. It is accountable for reviewing the performance of the Chief Executive and makes recommendations to the Board on the remuneration, benefits and terms of employment of the executive team. In 2022, the committee oversaw progress on the development and implementation of a number of workforce priorities, including wellbeing, diversity and inclusion, and workforce development. It also scrutinised our people performance dashboard. The committee met four times in 2022.
- The **Safeguarding Committee** oversees serious safeguarding incidents, external investigations and reviews into serious incidents (where appropriate), the charity's safeguarding policies, the effectiveness of its safeguarding accountability mechanisms and its priorities for engaging on safeguarding matters with third parties. It also reviews the charity's progress on safeguarding culture. The committee met five times in 2022.

TRUSTEE RESPONSIBILITIES

Statement of responsibilities of the trustees of Save the Children Fund in respect of the trustees' annual report and the financial statements:

The trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and regulations.

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

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company, and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company. They must ensure that the charity's financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

BOARD ACCOUNTABILITY

Since October 2018, as part of its commitment to transparency, the Board has published summaries of its quarterly meetings on Save the Children UK's website. The Chair updates staff on the Board's quarterly meetings and their outcomes. As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with employees whenever an ad hoc meeting is requested. They report back to the Board on staff interests and concerns at its quarterly meetings or in the interim period, depending on the urgency of the matter being discussed.

PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that Save the Children UK provides public benefit and achieves its objectives, as set out in our governing document. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, researching these matters, and public education about them. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning future activities.

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INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2022, as part of our policies governance mechanism, we reviewed and updated seven internal policies, including our Special Leave Policy and our Contracts Policy. We rolled out a new Travel Policy to help us meet our commitment to reducing our environmental impact (see page 36).

You can find out more about our organisation's policies – including on safeguarding, donation acceptance and refusal, and open information – on the accountability page of our website.

MODERN SLAVERY

Over the course of 2022 we have continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting, and publishing key policies; continuing to include modern slavery clauses in the contracts we make with other organisations to hold them to account; and testing and identifying areas in the charity's direct supply chain where there may be the risk of forced labour, human trafficking, or other forms of modern slavery. The charity uses funds and expertise to work closely with Save the Children International primarily to identify, resolve and eliminate any modern slavery in the supply chain for our international programming work undertaken by Save the Children International.

The charity has no cases of modern slavery to report in its supply chain during 2022. In line with statutory requirements the charity continues to publish its modern slavery statement on its website.

For more information, see the Modern Slavery Statement on our website.

CHARITY GOVERNANCE CODE

In 2017, the Board of Trustees ('the Board') resolved to adopt the Charity Governance Code ('the Code') for larger charities. The Code encourages charities to publish a brief narrative in their annual reports explaining how they have been applying it. In 2020, the Board conducted an external board effectiveness review, in accordance with the Code's requirement that large charities conduct such a review every three years. The review was carried out against the updated Code, which reinforces its focus on the principles of integrity, equality, diversity and inclusion. The board effectiveness review was completed in April 2021.

Over the course of 2022, the Board continued to work through an implementation plan to improve its effectiveness in the five agreed areas the review recommended. These areas centred on: (1) identity and direction (on the charity's future role and strategy), (2) the Board as a team, (3) culture, diversity and inclusion, (4) efficiency of Board time, and (5) the charity's subsidiaries. The Board believes the charity's governance aligns well with the Code and particular focus continues to be given to the areas as highlighted by the review. The Board's improvement work included:

- Strengthening the induction process for new trustees, including a review of key onboarding documents for incoming trustees and participation in biannual global induction meetings to orientate new trustees with SCA/SCI. Feedback from recently recruited trustees will be taken onboard to further improve this process; and
- Continuing to improve the trustee annual review and skills audit processes, in order to monitor board effectiveness and to inform decisions on diverse trustee appointments.

Following recent appointments into key trustee roles (Safeguarding Trustee and the incoming Chair of the Audit & Risk Committee), the Nominations Committee will be reviewing and revising Board processes in 2023 to ensure a focus on increasing and, critically, maintaining Board diversity in its broadest sense.

In accordance with the Code's requirement, the Board will commission its second board effectiveness review in 2023, to be concluded in 2024, to ensure the charity continues to operate with and develop high standards of governance.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4–57 was approved by the Board of Trustees on 22nd June 2023.

DocuSigned by:
Tsitsi Chawatama
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Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK
23rd June 2023

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE SAVE THE CHILDREN FUND

OPINION

We have audited the financial statements of Save the Children Fund ("the charitable company") for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, legacy income, and charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate

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accounting entries, and the risk of bias in accounting estimates and judgments such as pension assumptions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who do not do so frequently and those posted to unusual accounts combinations.
- Agreeing a sample of donations income to relevant supporting evidence and cash receipts;
- Agreeing a sample of legacy income transactions back to relevant legal documents;
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy;
- Testing a sample of transactions to verify the categorisation of income between restricted and unrestricted to ensure that revenue has been recognised in line with the criteria in the Charities SORP;
- Assessing significant accounting estimates, such as pension assumptions, for bias.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

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

OTHER INFORMATION

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 56, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

Date: 27 June 2023

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STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

For each trustee in office at the date of approval of the annual report:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all of the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2022 £000**	Total funds year to 31/12/2021 £000
Income and endowments from:					
Donations and legacies	2	66,195	32,458	**98,653**	84,412
Charitable activities	3	–	182,901	**182,901**	144,994
Other trading activities	4	8,850	–	**8,850**	7,064
Investments	5	866	–	**866**	496
Other	6	2,985	101	**3,086**	3,443
Total income		78,896	215,460	**294,356**	240,409
Expenditure on:					
Raising funds					
Raising donations and legacies	7	23,735	637	**24,372**	23,280
Other trading activities	7	7,717	25	**7,742**	7,511
Investment management costs	7	123	–	**123**	145
Total raising funds		31,575	662	**32,237**	30,936
Charitable activities					
Nutrition	7	2,347	18,817	**21,164**	17,744
Livelihoods	7	3,341	28,111	**31,452**	23,212
Health	7	4,011	39,685	**43,696**	31,276
Protection and rights	7	1,219	10,554	**11,773**	10,343
Education	7	5,871	50,082	**55,953**	45,233
Rapid onset emergencies	7	10,878	65,757	**76,635**	64,416
Advocacy and awareness	7	7,904	2,878	**10,782**	10,331
Total charitable activities		35,571	215,884	**251,455**	202,555
Other	7	2,669	10	**2,679**	2,437
Total expenditure		69,815	216,556	**286,371**	235,928
Net (losses)/gains on investments	13	(2,031)	(654)	**(2,685)**	2,841
Movement on share of associate's surplus	14	(78)	–	**(78)**	83
Net income		6,972	(1,750)	**5,222**	7,405
Transfers between funds	21	(1,732)	1,732	**–**	–
Actuarial losses on defined benefit pension scheme	25	(24)	–	**(24)**	(1,544)
Net movement in funds		5,216	(18)	**5,198**	5,861
Fund balances brought forward		44,943	19,534	**64,477**	58,616
Fund balances carried forward	21	50,159	19,516	**69,675**	64,477

All gains and losses recognised in the year are included above. All activities relate to continuing operations.

The restricted fund balances carried forward include £4,845,000 (2021: £5,499,000), which relates to endowment funds.

There were no new endowments in the year and there were losses in the funds in the current year of £654,000 (2021: gain £634,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2022

	Notes	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Fixed assets					
Intangible assets	11	**228**	404	**228**	404
Tangible assets	12	**1,610**	1,607	**1,610**	1,607
Investments	13	**43,088**	40,773	**43,363**	41,048
Associates	14b	**596**	674	**–**	–
		45,522	43,458	**45,201**	43,059
Current assets					
Stocks	15	**424**	472	**348**	373
Grant debtors	16a	**20,649**	18,582	**20,122**	18,065
Other debtors	16b	**26,605**	27,941	**26,042**	27,531
Short-term deposits		**35,741**	39,970	**35,741**	39,970
Cash at bank and in hand		**13,970**	4,030	**13,829**	3,868
		97,389	90,995	**96,082**	89,807
Creditors: amounts falling due within one year	17a	**(66,556)**	(62,277)	**(67,153)**	(64,366)
Net current assets		**30,833**	28,718	**28,929**	25,441
Total assets less current liabilities		**76,355**	72,176	**74,130**	68,500
Creditors: amounts falling due after more than one year	17b	**(849)**	(1,028)	**(849)**	(1,028)
Provisions for liabilities	18	**(5,767)**	(6,551)	**(5,767)**	(6,461)
Net assets excluding pension liability		**69,739**	64,597	**67,514**	61,011
Defined benefit pension scheme liability	25	**(64)**	(120)	**(64)**	(120)
Total net assets		**69,675**	64,477	**67,450**	60,891
Unrestricted funds					
General reserve	21	**42,547**	33,122	**42,546**	33,122
Revaluation reserve	21	**3,296**	5,882	**3,296**	5,882
Designated funds	21	**4,380**	6,059	**2,783**	2,904
Total unrestricted funds excluding pension reserve		**50,223**	45,063	**48,625**	41,908
Pension reserve	25	**(64)**	(120)	**(64)**	(120)
Total unrestricted funds		**50,159**	44,943	**48,561**	41,788
All restricted and endowed funds					
Restricted income funds	22	**14,671**	14,035	**14,044**	13,604
Endowment funds	23	**4,845**	5,499	**4,845**	5,499
Total restricted funds		**19,516**	19,534	**18,889**	19,103
Total funds		**69,675**	64,477	**67,450**	60,891

The accompanying notes are an integral part of these consolidated and charity balance sheets.

The financial statements on pages 62 to 96 were approved by the Board of Trustees on 22nd June 2023 and signed on their behalf by the Chair and Honorary Treasurer on 23rd June 2023.

DocuSigned by:
Tsitsi Chawatama
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Dr Tsitsi Chawatama-Kwambana – Chair

DocuSigned by:
Richard Winter
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Richard Winter CBE – Honorary Treasurer

Company Number: 178159

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Net cash flows from operating activities	(a)	**10,165**	(614)
Cash flows from investing activities			
Bank interest received	5	**356**	15
Dividends received	5	**510**	481
Purchase of tangible fixed assets	12	**(398)**	(215)
Purchase of investments	13	**(10,500)**	(4,106)
Proceeds from sale of investments	13	**5,071**	4,897
Net cash movement in investments	13	**429**	(791)
Investment in associate	14b	**78**	(83)
Net cash used in investing activities		**(4,454)**	198
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	**5,711**	(416)
Cash and cash equivalents at the beginning of the year		**44,000**	44,416
Cash and cash equivalents at the end of the year		**49,711**	44,000

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTES TO THE CASH FLOW STATEMENT

	Year to 31/12/2022 £000	Year to 31/12/2021 £000
(a) Reconciliation of net income to net cash flow from operating activities		
Net income	**5,222**	7,405
Investment income	**(866)**	(496)
Losses/(gains) on investments	**2,685**	(2,841)
Adjustment for pension funding	**182**	183
Payments to defined benefit pension scheme	**(263)**	(4,364)
Net loss on disposal of fixed assets	**21**	20
Depreciation charge	**375**	482
Amortisation charge	**176**	315
Impairment charge	**–**	169
Increase in stocks	**48**	923
(Increase)/decrease in debtors	**(731)**	15,139
Increase/(decrease) in creditors falling due within one year	**4,279**	(16,373)
Decrease in creditors falling due in more than one year	**(179)**	(179)
Decrease in provisions	**(784)**	(997)
Net cash flows from operating activities	**10,165**	(614)

(b) Analysis of cash and cash equivalents	At 01/01/2022 £000	Cash flow £000	**At 31/12/2022 £000**
Cash at bank and in hand	4,030	9,940	**13,970**
Short-term deposits	39,970	(4,229)	**35,741**
	44,000	5,711	**49,711**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' published in October 2019, and applicable United Kingdom law and accounting standards.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The group meets the definition of a public benefit entity under FRS 102. See page 56 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared on the going concern basis. The trustees have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements ("the going concern period"). These forecasts considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. These forecasts assume that there will be increased pressures on the economy, in particular higher inflation increasing costs. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecasted economic climate and its potential impact on our various sources of income and planned expenditure. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, we hold general reserves to cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We continually monitor our actual and forecasted financial performance and manage our finances accordingly. Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, Save the Children (Sales) Limited, Medical Emergency Relief International (Merlin), Humanitarian Leadership Academy (Enterprises) Limited, Humanitarian Leadership Academy and Elrha. The results of these subsidiaries are consolidated on a line-by-line basis.

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme related investment as this investment is made directly in pursuit of SCUK's charitable purposes. Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside of the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

Save the Children UK has treated the William Belmer Rush Foundation as an associate owing to the significant influence exerted over its financial and operating policies, and has accounted for the Foundation in the group financial statements on a net equity basis. The consolidated SOFA includes the group's share of the associate's surplus or deficit.

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. Only income and expenditure on awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised.

The charity has availed itself of Paragraph 4 (1) of Schedule 1 to the Accounting Regulations and has adapted the Companies Act formats to reflect the special nature of the charity's activities.

(B) COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 53. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING

General funds

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

Designated funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 21.

Pension reserve

Unrestricted funds include a pension reserve representing the defined benefit pension scheme and growth plan valuation, in line with FRS 102 section 28: Employee Benefits.

Restricted funds

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in the notes to the financial statements.

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1. ACCOUNTING POLICIES (CONTINUED)

Endowment funds
Endowment funds represent assets received that may not be exhausted. Only the income may be expended. Net investment gains and losses are recognised against the relevant endowment fund.

Investment income and gains are allocated to the appropriate fund.

(D) INCOME
All incoming resources are included in the SOFA when Save the Children UK is entitled to the income, when receipt of funds is probable, and when the amount can be measured with sufficient reliability.

Donations and legacies
Donations
Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivering certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Legacies
Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement.

Reversionary interests involving a life tenant are not recognised until we are notified that the prior interest has ended.

Gifts in kind
Gifts for onward distribution
Gifts in kind donated for distribution are included at fair value and are recognised as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include food, clothing and medical supplies.

Gifts for resale
Gifts in kind donated for resale are recognised within retail income when they are sold.

Donated facilities and support
Gifts in kind also include pro bono legal and professional services, and campaigning and fundraising goods and services, which are all recognised when received or performed. These have been valued either at market value or, where a market value is not available or appropriate, an appropriate estimate of the value to the charity is made.

Volunteers
Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community fundraisers and ambassadors. However in accordance with the SORP, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities
Grants from governments, agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

For payment by results contracts, where it has been agreed with the donor that we can retain the surplus, with no restrictions on how these are utilised, these have been reflected as a transfer between restricted and unrestricted funds.

Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where Save the Children UK is required to pre-finance projects.

Other trading activities
Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax.

(E) EXPENDITURE
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income, running our retail operations and managing our investments and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

Support costs, such as general management, governance, human resources, financial management, programme support, information systems and premises costs are allocated across the categories of charitable activities and costs of raising funds. The basis of the cost allocation has been explained in the notes to the accounts.

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1. ACCOUNTING POLICIES (CONTINUED)

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

All expenditure of a capital nature on relief and development work overseas is expensed as incurred, as are items of expenditure in the UK under £5,000. However, for leasehold property improvements where individual costs are below the stated capitalisation threshold but collective costs are above £5,000 these are capitalised at the time of purchase.

Fixed assets are capitalised at cost, which, for gifts of property, is taken as the value accepted for stamp duty purposes on transfer.

Depreciation is provided from the time assets are available for use at rates calculated to write off the costs on a straight-line basis over their expected useful economic lives, as follows:

Freehold properties	50 years
Leasehold property improvements – headquarters	Lease period
Other leasehold property improvements	Shorter of 10 years and lease period
Computer equipment	5 years

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains or losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries and programme related investments are included in the balance sheet at their historical cost (ie, the fair value of the consideration given by the company) less, where appropriate, impairment provisions for any permanent decrease in value.

(I) STOCKS

Stocks are valued at cost less an allowance for obsolescence. Undistributed gifts in kind are recognised on the balance sheet as stocks at the fair value of those gifts at the time of receipt.

(J) PENSION COSTS

For defined benefit schemes, the amounts charged in expenditure are the costs arising from employees' services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments and the expenses of running the scheme. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within finance costs or credits similar to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in actuarial gains/losses on defined benefit pension schemes in the SOFA.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities (iBoxx Corporate AA 15+ years index), but a reduction in the rate has been made to take into account the duration of the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. A pension liability, if applicable, is presented separately after net assets on the face of the balance sheet. A pension asset, if applicable, is only recognised if recoverable by Save the Children UK.

The charity contributes to a defined benefit scheme, which was closed to new entrants on 14 June 2002.

For defined contribution schemes, the amount charged to the statement of financial activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers). The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

The charity contributes to a defined contribution pension plan operated by Legal & General. The assets of the scheme are held separately from those of the charity. The contribution payments are charged to the SOFA.

(K) FINANCE AND OPERATING LEASES

Instalments on operating lease contracts are charged to the SOFA on a straight-line basis over the life of the lease. The group does not have assets under finance leases.

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1. ACCOUNTING POLICIES (CONTINUED)

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date into the accounts presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Our policy is to minimise holdings of currencies that are not required for operational needs so that we are not exposed to movements in currencies. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable.

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2021: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2021: Nil).

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

(O) FINANCIAL INSTRUMENTS

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.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group 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.

(P) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

Revenue recognition

Due to the range and complexity of the group's funding streams, revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in accounting policy 1d. The recognition and valuation of legacy income also requires significant judgement – see note 1d for further details.

Pension valuation

Estimates of the net pension valuation depend on a number of complex judgements relating to the discount rate used, changes in retirement ages, mortality rates, and the calculation of pension increases. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension valuation of changes in these assumptions. The group engages other professional advisors where appropriate.

Any surplus on the pension valuation will only be recognised if it is possible to demonstrate that the surplus is recoverable either through reduced contributions in the future or through refunds from the pension scheme.

Provisions

Provisions such as dilapidations and bad debt involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.

Cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. The bases used are outlined in note 7e.

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2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
(a) Donations and gifts				
Individuals – regular giving	31,588	750	**32,338**	33,206
Individuals – one-off donations, appeals and events	10,289	8,648	**18,937**	12,830
Trusts and major donors	6,033	9,630	**15,663**	8,708
Corporate fundraising	1,438	6,564	**8,002**	2,527
Institutional donors	–	2,911	**2,911**	3,912
	49,348	28,503	**77,851**	61,183
(b) Gifts in kind by type				
Gifts in kind for distribution	–	2,710	**2,710**	2,921
Headquarters professional services	–	862	**862**	617
Fundraising	–	48	**48**	312
	–	3,620	**3,620**	3,850
(c) Legacies				
Legacies[1]	16,847	335	**17,182**	19,379
Total donations and legacies	66,195	32,458	**98,653**	84,412

[1] The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, whether because probate has not yet been obtained, or on grounds of insufficient probability, was £3.5 million (2021: £3 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2022 restricted £000	Year to 31/12/2021 restricted[1] £000
Performance-related grants		
UK central government	**34,940**	38,586
Irish government	**3,923**	5,287
Other national governments	**10,167**	12,470
UK local and regional government	**740**	840
European Commission (including European Community Humanitarian Aid Office)	**8,665**	8,878
Disasters Emergency Committee	**33,652**	4,621
Education Cannot Wait	**12,320**	8,393
United Nations	**32,815**	22,851
World Bank	**16,774**	15,816
Total government and multilateral organisations	**153,996**	117,742
Comic Relief	**408**	490
Bill & Melinda Gates Foundation	**2,322**	2,895
Corporate partners	**10,573**	13,276
Trusts	**10,378**	4,978
Other	**5,224**	5,613
Total income from charitable activities	**182,901**	144,994

[1] The 2021 comparatives have been recategorised to ensure consistency, however there is no impact on the overall totals.

Corporate partners includes £2,464,000 from IKEA Foundation for Start Network.

Income from charitable activities relates to income from performance-related grants that are used to further our charitable objectives across our thematic areas.

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4. OTHER TRADING ACTIVITIES

	Charity £000	Save the Children (Sales) Ltd £000	**Total year to 31/12/2022 £000**	Total year to 31/12/2021 £000
Retail income and costs				
Retail income	8,154	696	**8,850**	7,064
Cost of sales	–	(352)	**(352)**	(206)
Direct expenses	(7,330)	(73)	**(7,403)**	(7,319)
Total expenses	(7,330)	(425)	**(7,755)**	(7,525)
Surplus/(deficit)	824	271	**1,095**	(461)

Additional net income was raised in relation to shops which is disclosed elsewhere and includes £548,000 (2021: £418,000) of donations raised in shops, and £20,000 (2021: £20,000) of property income, totalling £568,000 (2021: £438,000). Our 2022 retail income includes £nil (2021: £1,582,000) received from local authorities through the Retail, Hospitality and Leisure Grant (RHLG) government coronavirus support scheme.

5. INVESTMENT INCOME

	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Dividends on investments listed on a recognised stock exchange	**510**	481
Interest on bank deposits and other investments	**356**	15
	866	496

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Rental income	2,575	–	**2,575**	2,410
Other income	410	101	**511**	1,033
	2,985	101	**3,086**	3,443

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7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly: Staff costs (note 8) £000	Activities undertaken directly: Other direct costs £000	Activities undertaken directly: Gifts in kind £000	Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Expenditure on raising donations and legacies (note 7d)	134	10,298	10,573	96	3,271	–	**24,372**	23,280
Expenditure on other trading activities	–	2,543	4,592	–	607	–	**7,742**	7,511
Investment management costs	–	–	117	–	6	–	**123**	145
	134	12,841	15,282	96	3,884	–	**32,237**	30,936
Charitable activities								
Nutrition	16,103	258	198	2,008	1,137	1,460	**21,164**	17,744
Livelihoods	26,511	550	396	135	1,695	2,165	**31,452**	23,212
Health	37,213	468	238	420	2,342	3,015	**43,696**	31,276
Protection and rights	10,265	169	(126)	25	631	809	**11,773**	10,343
Education	45,949	1,960	995	110	3,094	3,845	**55,953**	45,233
Rapid onset emergencies	51,996	7,901	8,070	(7)	4,035	4,640	**76,635**	64,416
	188,037	11,306	9,771	2,691	12,934	15,934	**240,673**	192,224
Advocacy and awareness (note 7c)	44	5,911	2,382	–	1,791	654	**10,782**	10,331
Total charitable activities	188,081	17,217	12,153	2,691	14,725	16,588	**251,455**	202,555
Support costs	328	16,889	17,249	862	(18,740)	(16,588)	**–**	–
Other expenditure[1]	–	–	2,548	–	131	–	**2,679**	2,437
Total expenditure	188,543	46,947	47,232	3,649	–	–	**286,371**	235,928
Prior year	139,411	46,561	46,253	3,703	–	–	**235,928**	

[1] Costs relating to the sub-let of certain floors of the headquarters building at St John's Lane have been identified as a separate activity of the group.

(b) Grant funding of activities

During the year ended 31 December 2022, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at https://www.savethechildren.org.uk/content/dam/global/reports/2022-grant-list.pdf.

(c) Save the Children's advocacy and awareness activities

These have several objectives, including:

- informing our supporters and the wider public about the reality of children's lives throughout the world, based on our experience in many countries
- influencing key decision-makers on social and economic policies affecting children, drawing evidence for our advocacy and campaigning work directly from our global programmes
- educating children and young people in the UK by bringing global perspectives to the curriculum and promoting the UN Convention on the Rights of the Child.

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change through mobilising millions of people around the world to show they care, and demand others fulfil their responsibilities.

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7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Mass fundraising (including legacies)	**19,854**	19,403
Trusts and major donors	**2,326**	1,303
Corporate fundraising	**2,192**	2,574
	24,372	23,280

(e) The support costs and the basis of their allocation were as follows:
Support costs include the cost of providing key organisational support in the areas of general and financial management, human resources and information technology. In addition, this includes costs incurred directly to design and monitor our programmes, and the costs incurred by SCI to deliver our international portfolio.

Management and administration costs	Basis of apportionment	Year to 31/12/2022 £000	Year to 31/12/2021 £000
General management	Pro-rata by expenditure	**2,524**	2,223
Governance	Pro-rata by expenditure	**1,205**	1,317
Human resources	Pro-rata by salary costs	**2,370**	2,614
Financial management	Pro-rata by expenditure	**3,074**	2,953
Premises and facilities	Pro-rata by building usage	**3,922**	3,893
Technology	Pro-rata by expenditure	**5,480**	6,080
Gifts in kind (pro-bono professional and legal services)	Pro-rata by expenditure	**862**	589
(Gains)/losses on foreign exchange	Pro-rata by expenditure	**(698)**	142
Defined benefit pension scheme costs[1]	Pro-rata by expenditure	**1**	4
		18,740	19,815
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	**2,975**	3,094
Programme support	Pro-rata by charitable expenditure	**6,928**	6,682
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	**3,756**	3,606
		13,659	13,382
Additional contributions			
Contribution to growth of other Save the Children members	Pro-rata by charitable expenditure	**–**	250
SCI strategic investment funding	Pro-rata by charitable expenditure	**2,929**	2,619
		2,929	2,869
Total programme support		**16,588**	16,251
Total support costs		**35,328**	36,066
Financed by unrestricted funds		**24,585**	27,861
Charged to restricted awards		**1,457**	1,493
Indirect cost recovery[2]		**9,286**	6,712
		35,328	36,066

[1] This is the net interest cost on the pension schemes, see note 25 for more details.

[2] Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

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7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

Group auditor's remuneration	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Audit of charity[1]	**207**	143
Audit of subsidiaries	**48**	43
Total audit	**255**	186
Audit related assurance services	**8**	2
Total assurance services	**8**	2
Other non-audit services	**–**	–
Total non-audit services	**–**	–
Total fees	**263**	188

[1] Audit fees payable for the charity in 2022 include additional one-off fees incurred during 2022 for the 2021 audit which were not included in the 2021 disclosure.

Lease rentals: land and buildings	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Retail	**2,260**	2,376
Programme offices	**105**	168
Headquarters	**4,327**	4,505
	6,692	7,049

Ex-gratia payments

There were no ex-gratia payments made in the reporting period (2021: nil).

8. STAFF COSTS

(a)	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Wages and salaries	**38,252**	38,035
National Insurance	**4,510**	4,204
Pension costs defined contribution scheme	**2,081**	2,117
Pension costs defined benefit scheme	**182**	179
Other staff costs	**1,922**	2,026
	46,947	46,561

Staff costs are shown inclusive of all amounts directly funded by donors through programme awards.

Included within staff costs is £326,406 (2021: £376,240) of termination costs.

(b) The average number of employees calculated on a full-time equivalent basis, analysed by function, was:

	Average headcount		Average FTE headcount	
	Year to 31/12/2022 number	Year to 31/12/2021 number	**Year to 31/12/2022 number**	Year to 31/12/2021 number
Charitable activities	**588**	607	**569**	588
Raising funds	**274**	297	**269**	292
	862	904	**838**	880

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8. STAFF COSTS (CONTINUED)

(c) At 31 December 2022, the number of staff was as follows:

	Headcount[1] number	Headcount equivalent[2] number
UK HQ	680	666
UK non-HQ	151	143
International	13	13
	844	822

[1] Headcount is defined as the number of roles filled by employees.
[2] Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

(d) The following number of employees (including those on short-term contracts) earned emoluments within the bands shown below.
Emoluments include salaries, fees, amounts in lieu of notice, compensation or redundancy payments, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax) and the estimated money value of any other benefits received otherwise than in cash, and exclude employer pension costs.

	Year to 31/12/2022 number	Year to 31/12/2021 number
£60,001–£70,000	**35**	34
£70,001–£80,000	**13**	13
£80,001–£90,000	**7**	5
£90,001–£100,000	**4**	3
£100,001–£110,000	**1**	1
£110,001–£120,000	**3**	2
£120,001–£130,000	**3**	2
£140,001–£150,000	**1**	–
£170,001–£180,000[1]	**–**	1
	67	61

[1] Salary costs include redundancy payments for a member of staff leaving Save the Children.

(e) 2022 Executive Director remuneration
The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2022 was £886,082 (2021: £1,028,071). A detailed breakdown by executive director is included on page 51 of this report.

9. TRUSTEES' REMUNERATION

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services.

Out-of-pocket expenses were reimbursed to trustees or paid directly on their behalf as follows:

	Year to 31/12/2022 number of trustees	Year to 31/12/2021 number of trustees	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Expenses including travel and subsistence	**1**	–	**2**	–

Trustees received no remuneration or direct expenses for volunteering their time.

Save the Children has purchased indemnity insurance at a cost of £30,800 (2021: £28,000) that provides cover:
(i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
(ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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10. RELATED PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

As well as donating their time and expertise during 2022, the trustees made unconditional donations of £145,336 (2021: £154,735) to the charity.

Save the Children UK contributes to a defined benefit funded pension scheme administered by The Pensions Trust. For details of transactions with The Pensions Trust in the year, please see note 25.

Anne Fahy is a member of the Save the Children UK Board and is also on the Board of Save the Children International. Dr Tsitsi Chawatama-Kwambana, Chair of the Save the Children UK Board, joined the Board of Save the Children International on 1 April 2022.

Transactions with Save the Children International in the year are detailed below:

Income and expenditure items	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Funds transferred for programme delivery	**148,320**	107,976
Country operating costs	**2,196**	2,815
Central and regional operating costs	**3,756**	3,606
Core contributions	**2,975**	3,094
Member growth	**–**	250
Strategic investment funding	**2,928**	2,619
Quality Impact Fund	**850**	1,563
Reimbursements	**–**	(1)
	161,025	121,922

Balance sheet items	**As at 31/12/2022 £000**	As at 31/12/2021 £000
Prepayment for programme activity	**3,433**	4,001
Cost of services incurred by Save the Children UK/(SCI) to be settled in the future	**(276)**	(289)
Programme-related investment	**955**	955

11. INTANGIBLE FIXED ASSETS

Group and charity	Computer software £000	Assets under construction £000	**Total £000**
Cost at 1 January 2022	12,592	116	**12,708**
Transfers of assets available for use	60	(60)	**–**
Cost at 31 December 2022	12,652	56	**12,708**
Accumulated amortisation at 1 January 2022	12,304	–	**12,304**
Charge for the year	176	–	**176**
Accumulated amortisation at 31 December 2022	12,480	–	**12,480**
Net book value at 31 December 2022	**172**	**56**	**228**
Net book value at 31 December 2021	288	116	404

Assets under construction relate to software systems that are not yet complete. Expenditure on these assets is capitalised as incurred but no amortisation is charged until the asset is available for use, at which point a rate appropriate to the useful economic life of the asset will be applied.

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12. TANGIBLE FIXED ASSETS

(a) Group and charity

	Freehold property £000	Leasehold property improvements £000	Computer equipment £000	**Total £000**
Cost at 1 January 2022	1,210	6,622	64	**7,896**
Additions	80	318	–	**398**
Disposals	–	(95)	–	**(95)**
Cost at 31 December 2022	1,290	6,845	64	**8,199**
Accumulated depreciation at 1 January 2022	633	5,593	63	**6,289**
Charge for the year	43	332	–	**375**
Disposals	–	(75)	–	**(75)**
Accumulated depreciation at 31 December 2022	676	5,850	63	**6,589**
Net book value at 31 December 2022	**614**	**995**	**1**	**1,610**
Net book value at 31 December 2021	577	1,029	1	1,607

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2021: £nil).

13. INVESTMENTS

	Notes	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Fixed asset investments	13a	**42,133**	39,818	**42,133**	39,818
Investment in SCI		**955**	955	**955**	955
Investment in subsidiary	13b	**–**	–	**275**	275
Total investments		**43,088**	40,773	**43,363**	41,048

(a) Fixed asset investments	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Market value at start of year	**39,818**	36,977	**39,818**	36,977
Acquisitions	**10,500**	4,106	**10,500**	4,106
Sales proceeds	**(5,071)**	(4,897)	**(5,071)**	(4,897)
Net movement in cash balances	**(429)**	791	**(429)**	791
Net realised investment gains	**703**	869	**703**	869
Net unrealised investment (loss)/gain	**(3,388)**	1,972	**(3,388)**	1,972
Market value at end of year	**42,133**	39,818	**42,133**	39,818

The market value is represented by:	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Equities and commodities	**17,362**	21,015	**17,362**	21,015
Bonds	**3,704**	2,536	**3,704**	2,536
Cash and cash equivalents	**21,067**	16,267	**21,067**	16,267
	42,133	39,818	**42,133**	39,818

Save the Children UK's investment managers have discretion to manage the investment portfolio within an agreed risk profile and in accordance with our ethical policy. The mix of investments and the balance of risk and liquidity is reviewed in the light of Save the Children UK's long-term financial plans.

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14.

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14. GROUP MEMBERS

Wholly-owned subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin)[1]	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)[2]	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec
Associate undertakings				
William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
Lead consortium member				
Start Network	9286835	UK	Humanitarian response charity	N/A

For entities with non co-terminous year ends, results for the 12-month period to 31 December 2022 have been consolidated.

The registered address of each group member is 1 St John's Lane, London, EC1M 4AR.

[1] Merlin joined forces with Save the Children Fund in July 2013. All charitable operations were transitioned to Save the Children Fund, or closed down, by April 2016 and Merlin is now in the process of winding down. Merlin has made a charitable grant under which legacy and other income received by Merlin is paid to Save the Children Fund to fund emergency health work.

[2] On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to the Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to the Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of Humanitarian Leadership Academy. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for Humanitarian Leadership Academy under s479A of the Act relating to subsidiary companies. Humanitarian Leadership Academy is no longer active and has no financial results in the current or prior year to include in Note 14a below.

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		**Merlin**		**HLA Enterprises Ltd**		**Elrha**	
	Year to 31/12/2022 £000	Year to 31/12/2021 £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Income	**1,082**	936	**359**	467	**409**	451	**9,608**	9,372
Expenditure	**(972)**	(883)	**(1,839)**	(172)	**(374)**	(426)	**(9,413)**	(9,463)
Net income/(expenditure)	**110**	53	**(1,480)**	295	**35**	25	**195**	(91)
Donation to parent charity	**(110)**	(53)	**–**	–	**(35)**	(25)	**–**	–
Net movement in funds	**–**	–	**(1,480)**	295	**–**	–	**195**	(91)
	As at 31/12/2022 £000	As at 31/12/2021 £000	**As at 31/12/2022 £000**	As at 31/12/2021 £000	**As at 31/12/2022 £000**	As at 31/12/2021 £000	**As at 31/12/2022 £000**	As at 31/12/2021 £000
Assets	**302**	294	**2,500**	2,820	**161**	192	**1,511**	571
Liabilities	**(52)**	(44)	**(1,343)**	(183)	**(136)**	(167)	**(1,040)**	(295)
Net assets	**250**	250	**1,157**	2,637	**25**	25	**471**	276

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14. GROUP MEMBERS (CONTINUED)

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2021: £25,000) as grant funding and £1,000 (2021: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	**Group Year to 31/12/2022 £000**	Group Year to 31/12/2021 £000
At 1 January	**674**	591
Share of retained (loss)/profit for the year	**(78)**	83
At 31 December	**596**	674

(c) Start Network

Save the Children UK is acting as the grant custodian on Start Network awards, and in that capacity is legally responsible to donors for the charitable application of funds. The income, spend and fund balances for these awards are included within the Start Network restricted fund in note 22.

15. STOCKS

	Group 31/12/2022 £000	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Gift in kind stock for distribution	**315**	343	**315**	343
Emergency	**11**	11	**11**	11
Goods for resale	**76**	99	**–**	–
Head office	**22**	19	**22**	19
	424	472	**348**	373

16. DEBTORS

(a) Grant debtors	**Group 31/12/2022 £000**	Group 31/12/2021[1] £000	**Charity 31/12/2022 £000**	Charity 31/12/2021[1] £000
UK and other national governments	**1,619**	2,206	**1,130**	1,740
European Commission (including European Community Humanitarian Aid Office)	**4,628**	7,087	**4,628**	7,087
Education Cannot Wait	**450**	28	**450**	28
United Nations	**8,879**	2,736	**8,879**	2,736
Corporate partners	**2,057**	2,303	**2,057**	2,303
Other	**3,016**	4,222	**2,978**	4,171
Total grant debtors	**20,649**	18,582	**20,122**	18,065

Grant debtors above include amounts both billed and unbilled.

[1] The presentation of this note has been amended in the year. The 2021 comparatives have been recategorised to ensure consistency, however there is no impact on the overall totals.

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16. DEBTORS (CONTINUED)

(b) Other debtors	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Trade debtors	**388**	1,776	**290**	1,648
Legacy debtors	**15,462**	15,466	**15,008**	15,245
Taxes recoverable	**940**	1,218	**940**	1,216
Prepayments and accrued income	**6,287**	5,405	**6,281**	5,354
Save the Children International	**3,157**	3,713	**3,157**	3,713
Other debtors	**371**	363	**366**	355
	26,605	27,941	**26,042**	27,531

All debtors are falling due within one year.

Debtor balance with Save the Children International represents prepaid funding for future programmatic activity.

17. CREDITORS

(a) Amounts falling due within one year	**Group 31/12/2022 £000**	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Trade creditors	**2,698**	4,178	**2,558**	3,683
Taxes and social security	**1,071**	1,057	**1,026**	1,015
Amount owed to subsidiary undertakings	**–**	–	**1,833**	4,999
Accruals	**4,607**	5,256	**4,159**	4,913
Deferred income[1]	**57,977**	51,238	**57,374**	49,259
Operating lease incentives[2]	**179**	179	**179**	179
Grant obligations	**–**	27	**–**	–
Other creditors	**24**	342	**24**	318
	66,556	62,277	**67,153**	64,366
(b) Amounts falling due in more than one year				
Operating lease incentives[2]	**849**	1,028	**849**	1,028
	849	1,028	**849**	1,028

[1] The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £49,754,000 arose in the year and £43,014,000 brought forward from 2021 was released.

[2] The operating lease incentives represent the value of payments, and discounts in the form of rent-free periods, received by Save the Children UK when entering into the 25-year lease on the headquarters building. It is being released over the term of the lease.

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18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At 01/01/2022 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2022 £000**
Dilapidations	1,754	26	(80)	**1,700**
Grants	3,523	(251)	(200)	**3,072**
Other	1,274	(279)	–	**995**
	6,551	(504)	(280)	**5,767**

Charity	At 01/01/2022 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2022 £000**
Dilapidations	1,754	26	(80)	**1,700**
Grants	3,490	(218)	(200)	**3,072**
Other	1,217	(222)	–	**995**
	6,461	(414)	(280)	**5,767**

Dilapidations represent the estimated costs of payments required to make good leased property upon the termination of the lease. The provision amount relating to individual property is released on termination of the lease.

Grant provisions represent estimated funds returnable to donors where Save the Children UK has not been able to spend funds received in accordance with donor wishes and grants which require an element of co-financing where Save the Children UK may be required to fund the additional financing.

Other provisions represent estimates of tax liabilities, onerous lease obligations and other provisions required to be recognised that do not fit into the categories above.

19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity
The total future minimum lease payments under non-cancellable operating leases

Total payments due	**Total 31/12/2022 £000**	Total 31/12/2021 £000
Within one year	**6,497**	6,178
Between two and five years	**21,803**	19,632
After five years	**3,582**	7,395
	31,882	33,205

The lease commitment for the head office building is included above.

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20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

(a) The table below shows the charity's and group's commitment in delivering projects on behalf of donors, which will be completed over a number of years as detailed below. Where we have been notified of a reduction to the award value following UK Government aid cuts we have amended this disclosure accordingly. Commitments could decrease further if additional cuts are made.

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 17. For those not yet received, there are legal agreements with donors to ensure that Save the Children UK will be reimbursed for completion of those projects.

	Group 31/12/2022 £000	Group 31/12/2021 £000	**Charity 31/12/2022 £000**	Charity 31/12/2021 £000
Within one year	**164,736**	137,976	**149,784**	127,308
Between two and five years	**91,161**	53,939	**79,895**	50,176
After five years	**3,258**	4,006	**3,258**	4,006
	259,155	195,921	**232,937**	181,490

(b) Save the Children UK has entered into a number of grants where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year end there were still several grants in progress for which no donor had been found. These amounted to £9.1 million (2021: £13.2 million). A provision of £0.8 million (2021: £2 million) has been recognised as at 31 December 2022 in respect of grants where Save the Children UK does not expect to be able to find donors for these over the remaining life of the projects.

(c) The delivery of the Charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI relies primarily on resources provided by and channelled through the member organisations.

Save the Children UK has future commitments in respect of Save the Children International:

i) The International Programming (IP) contracts provide for those members of Save the Children Association (SCA) for whom SCI delivers international programmes to provide a share of an indemnity capped at USD $20 million in the event that the members choose to cease SCI's programming activity. At 31 December 2022, Save the Children UK's share of this was approximately USD $2.4 million (2021: $2.5 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

   Under the IP contracts, Save the Children UK has given a number of other indemnities to SCI. These include indemnities in respect of operations in countries prior to the date of their programming transition to SCI. These indemnities principally concern retention by Save the Children UK of responsibility for liabilities prior to the date of such transition. At the date of signing the accounts, no material pre-transition issues relating to the normal course of business had been identified. Accordingly, no provision has been made in relation to these indemnities.

ii) The Save the Children Members have also provided SCI with a standby letter of credit to the value of USD $6.2 million, of which Save the Children UK's share is USD $3.1 million. This facility is provided in the event of SCI requiring reserves. SCI holds reserves to meet the following purposes:
   - the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
   - the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
   - the costs of closure or wind-down of the core operations of the charity.

   The standby letter of credit is provided by Standard Chartered. As at 31 December 2022 no amounts had been drawn down on this facility.

(d) SCI has a guarantee of £150,000 with Standard Bank Malawi at the year end relating to grant financing. Save the Children UK has underwritten SCI's commitments under this guarantee. It is not expected that this will come into effect.

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21. STATEMENT OF FUNDS

(a) Group	At 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2022 £000**
Unrestricted funds						
General reserve	33,122	78,541	(69,278)	555	(393)	**42,547**
Revaluation reserve	5,882	–	–	(2,586)	–	**3,296**
Designated funds:						
Fixed asset reserve	1,658	–	(519)	–	398	**1,537**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	675	–	–	(78)	–	**597**
Merlin	2,480	355	165	–	(2,000)	**1,000**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	45,063	78,896	(69,632)	(2,109)	(1,995)	**50,223**
Pension reserve (note 25)	(120)	–	(183)	(24)	263	**(64)**
Total unrestricted funds	44,943	78,896	(69,815)	(2,133)	(1,732)	**50,159**
All restricted and endowed funds						
Restricted income funds (note 22)	14,035	215,460	(216,556)	–	1,732	**14,671**
Endowment funds	5,499	–	–	(654)	–	**4,845**
Total restricted funds	19,534	215,460	(216,556)	(654)	1,732	**19,516**
Total funds	64,477	294,356	(286,371)	(2,787)	–	**69,675**

(b) Charity	At 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2022 £000**
Unrestricted funds						
General reserve	33,122	77,185	(67,922)	555	(394)	**42,546**
Revaluation reserve	5,882	–	–	(2,586)	–	**3,296**
Designated funds:						
Fixed asset reserve	1,658	–	(519)	–	398	**1,537**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	41,908	77,185	(68,441)	(2,031)	4	**48,625**
Pension reserve (note 25)	(120)	–	(183)	(24)	263	**(64)**
Total unrestricted funds	41,788	77,185	(68,624)	(2,055)	267	**48,561**
All restricted and endowed funds						
Restricted income funds (note 22)	13,604	208,795	(208,088)	–	(267)	**14,044**
Endowment funds	5,499	–	–	(654)	–	**4,845**
Total restricted funds	19,103	208,795	(208,088)	(654)	(267)	**18,889**
Total funds	60,891	285,980	(276,712)	(2,709)	–	**67,450**

The **general reserve** represents the free funds of the charity that are not designated for particular purposes.

The **revaluation reserve** represents the difference between the historic cost of fixed asset investments and their revalued amount.

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21. STATEMENT OF FUNDS (CONTINUED)

The **fixed asset reserve** represents the net book value of tangible and intangible assets originally funded from general reserves. The transfer into the fund represents capital additions less disposal proceeds and depreciation. An adjustment is made for operating lease incentives in relation to fixed assets purchased by the landlord for our headquarters.

The **programme related investment** represents the value of Save the Children UK's investment in SCI.

The **associates** reserve represents the value of Save the Children UK's investment in the William Belmer Rush Foundation (see note 14 for details).

The **Merlin** reserve represents the value of funds that have been designated to spend in line with the objects of Merlin.

The **St John's Lane reserve fund** represents funds set aside for potential future refurbishment of the headquarters building and the eventual replacement of large capital items. Save the Children UK is responsible for this expenditure on headquarters under its lease with Standard Life that runs until 2028. In addition, Save the Children UK has responsibilities towards its sub-tenants who occupy part of the headquarters building.

The **pension reserve** represents the reported liability on the defined benefit pension scheme under FRS 102 (see note 25 for details). Transfers to the pension reserve represent payments into the scheme during the year for both the defined benefit plan and the growth plan.

The **restricted income funds** represent unexpended balances on donations and grants given for specific purposes (see note 22 for details).

The **endowment funds** represent assets received that may not be exhausted (see note 23 for details).

Prior-year comparatives:

(c) Group	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2021 £000**
Unrestricted funds						
General reserve	34,143	75,673	(73,253)	674	(4,115)	**33,122**
Revaluation reserve	4,350	–	–	1,532	–	**5,882**
Designated funds:						
Fixed asset reserve	2,375	–	(932)	–	215	**1,658**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	591	–	–	84	–	**675**
Merlin	2,191	463	632	–	(806)	**2,480**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	44,896	76,136	(73,553)	2,290	(4,706)	**45,063**
Pension reserve (note 25)	(2,757)	–	(183)	(1,544)	4,364	**(120)**
Total unrestricted funds	42,139	76,136	(73,736)	746	(342)	**44,943**
All restricted and endowed funds						
Restricted income funds (note 22)	11,612	164,273	(162,192)	–	342	**14,035**
Endowment funds	4,865	–	–	634	–	**5,499**
Total restricted funds	16,477	164,273	(162,192)	634	342	**19,534**
Total funds	58,616	240,409	(235,928)	1,380	–	**64,477**

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21. STATEMENT OF FUNDS (CONTINUED)

(d) Charity	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2021 £000**
Unrestricted funds						
General reserve	34,148	74,369	(71,949)	675	(4,121)	**33,122**
Revaluation reserve	4,350	–	–	1,532	–	**5,882**
Designated funds:						
Fixed asset reserve	2,375	–	(932)	–	215	**1,658**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	42,119	74,369	(72,881)	2,207	(3,906)	**41,908**
Pension reserve (note 25)	(2,757)	–	(183)	(1,544)	4,364	**(120)**
Total unrestricted funds	39,362	74,369	(73,064)	663	458	**41,788**
All restricted and endowed funds						
Restricted income funds (note 22)	11,090	156,904	(153,932)	–	(458)	**13,604**
Endowment funds	4,865	–	–	634	–	**5,499**
Total restricted funds	15,955	156,904	(153,932)	634	(458)	**19,103**
Total funds	55,317	231,273	(226,996)	1,297	–	**60,891**

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22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2022 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2022 £000**
Regions					
East Africa	345	57,350	(57,498)	1,030	**1,227**
Southern Africa	204	2,019	(2,092)	(87)	**44**
West and Central Africa	931	15,338	(16,753)	407	**(77)**
Asia	125	16,654	(16,891)	147	**35**
Latin America and Caribbean	22	(42)	21	–	**1**
Middle East and South-East Europe	123	15,297	(15,285)	1,357	**1,492**
United Kingdom	2,676	6,166	(5,628)	622	**3,836**
Multi-region	2,519	7,460	(10,089)	2,191	**2,081**
Emergency Appeals					
Ukraine	–	32,561	(24,982)	(5,500)	**2,079**
Pakistan	–	3,532	(2,642)	(650)	**240**
Afghanistan	332	5,587	(5,046)	(800)	**73**
Syria	1,155	105	2	(1,161)	**101**
Yemen	1,300	198	(23)	(1,420)	**55**
Covid-19	115	2,545	(2,545)	(115)	**–**
Other appeals	81	64	24	(75)	**94**
Other Funds					
The Emergency Fund[2]	642	8,521	210	(7,589)	**1,784**
SCI Humanitarian Fund	–	–	(15,380)	15,380	**–**
Thematic/country funds[3]	102	1,117	(91)	(781)	**347**
Start Network	2,237	29,053	(30,000)	(1,224)	**66**
Elrha	275	9,619	(9,423)	–	**471**
Other	851	2,316	(2,445)	–	**722**
	14,035	215,460	(216,556)	1,732	**14,671**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund (previously referred to as the Children's Emergency Fund) are funds not yet allocated to particular country programmes.

[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2022 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2022 £000**
Regions					
East Africa	345	57,350	(57,498)	1,030	**1,227**
Southern Africa	203	2,019	(2,092)	(87)	**43**
West and Central Africa	925	15,337	(16,753)	407	**(84)**
Asia	48	16,654	(16,891)	147	**(42)**
Latin America and Caribbean	21	(42)	21	–	**–**
Middle East and South-East Europe	108	15,298	(15,285)	1,357	**1,478**
United Kingdom	2,676	6,177	(5,639)	622	**3,836**
Multi-region	2,463	9,460	(10,089)	191	**2,025**
Emergency Appeals					
Ukraine	–	32,561	(24,982)	(5,500)	**2,079**
Pakistan	–	3,532	(2,642)	(650)	**240**
Afghanistan	331	5,587	(5,046)	(800)	**72**
Syria	1,154	105	2	(1,161)	**100**
Yemen	1,302	198	(23)	(1,420)	**57**
Covid-19	115	2,545	(2,545)	(115)	**–**
Other appeals	81	64	24	(75)	**94**
Other Funds					
The Emergency Fund[2]	642	8,521	210	(7,588)	**1,785**
SCI Humanitarian Fund	–	–	(15,380)	15,380	**–**
Thematic/country funds[3]	103	1,117	(91)	(781)	**348**
Start Network	2,237	29,053	(30,000)	(1,224)	**66**
Elrha	–	943	(943)	–	**–**
Other	850	2,316	(2,446)	–	**720**
	13,604	208,795	(208,088)	(267)	**14,044**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] The Emergency Fund (previously referred to as the Children's Emergency Fund) are funds not yet allocated to particular country programmes.

[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(c) Included in the restricted fund balances are the following:

	At 01/01/2022 £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2022 £000**
National Lottery Community Fund					
Emerging Futures	–	1	(1)	–	**–**
Building Sustainable Livelihoods and Resilient Communities	–	16	(16)	–	**–**
Eat, Sleep, Learn, Play! in Scotland	–	1	(1)	–	**–**
Third Sector Early Intervention Fund	–	18	–	–	**18**
	–	36	(18)	–	**18**

23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2022 £000	Other gains/(losses) £000	**At 31/12/2022 £000**
The Oliver Children's fund	5,499	(654)	**4,845**
	5,499	(654)	**4,845**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2022 £000**
Tangible and intangible fixed assets	301	–	1,537	–	–	–	**1,838**
Fixed asset investments	33,991	3,296	1,552	–	–	4,845	**43,684**
Current assets	23,329	–	1,291	–	72,769	–	**97,389**
Current liabilities	(8,458)	–	–	–	(58,098)	–	**(66,556)**
Non-current liabilities	(849)	–	–	–	–	–	**(849)**
Provisions for liabilities and charges	(5,767)	–	–	–	–	–	**(5,767)**
Pension liability	–	–	–	(64)	–	–	**(64)**
	42,547	3,296	4,380	(64)	14,671	4,845	**69,675**

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24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

(b) Charity

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2022 £000**
Tangible and intangible fixed assets	301	–	1,537	–	–	–	**1,838**
Fixed asset investments	34,267	3,296	955	–	–	4,845	**43,363**
Current assets	24,253	–	291	–	71,538	–	**96,082**
Current liabilities	(9,659)	–	–	–	(57,494)	–	**(67,153)**
Non-current liabilities	(849)	–	–	–	–	–	**(849)**
Provisions for liabilities and charges	(5,767)	–	–	–	–	–	**(5,767)**
Pension liability	–	–	–	(64)	–	–	**(64)**
	42,546	3,296	2,783	(64)	14,044	4,845	**67,450**

Prior period comparatives:

(c) Group

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2021 £000**
Tangible and intangible fixed assets	353	–	1,658	–	–	–	**2,011**
Fixed asset investments	28,436	5,882	1,630	–	–	5,499	**41,447**
Current assets	23,378	–	2,771	–	64,846	–	**90,995**
Current liabilities	(11,466)	–	–	–	(50,811)	–	**(62,277)**
Non-current liabilities	(1,028)	–	–	–	–	–	**(1,028)**
Provisions for liabilities and charges	(6,551)	–	–	–	–	–	**(6,551)**
Pension liability	–	–	–	(120)	–	–	**(120)**
	33,122	5,882	6,059	(120)	14,035	5,499	**64,477**

(d) Charity

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2021 £000**
Tangible and intangible fixed assets	353	–	1,658	–	–	–	**2,011**
Fixed asset investments	28,712	5,882	955	–	–	5,499	**41,048**
Current assets	27,106	–	291	–	62,410	–	**89,807**
Current liabilities	(15,560)	–	–	–	(48,806)	–	**(64,366)**
Non-current liabilities	(1,028)	–	–	–	–	–	**(1,028)**
Provisions for liabilities and charges	(6,461)	–	–	–	–	–	**(6,461)**
Pension liability	–	–	–	(120)	–	–	**(120)**
	33,122	5,882	2,904	(120)	13,604	5,499	**60,891**

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25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(i) Defined Benefit Triennial valuation (notes 25b–c)

(ii) Accounting valuation under FRS 102 (defined benefit scheme) (notes 25d–h)

(iii) Defined contribution scheme (note 25i)

(iv) The Pensions Trust Growth Plan (multi-employer scheme) (note 25j)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust growth plan £000	**Year to 31/12/2022 £000**	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2021 £000
Net pension liability at start of year	–	120	**120**	2,236	521	2,757
Expenses	182	–	**182**	179	–	179
Net interest expense	(395)	1	**(394)**	3	1	4
Contributions by employer	(208)	(55)	**(263)**	(4,241)	(123)	(4,364)
Net actuarial losses/(gains) in the year	16,375	(2)	**16,373**	(19,744)	(279)	(20,023)
Losses due to benefit changes	–	–	**–**	–	–	–
Unrecognised surplus/effect of asset ceiling	(15,954)	–	**(15,954)**	21,567	–	21,567
Net pension liability at 31 December	–	64	**64**	–	120	120

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2020 by a professionally qualified actuary. This reported the scheme assets as £206.69m and the scheme liabilities as £215.88m. This corresponds to a scheme deficit of £9.19m and a funding level of 96%. The triennial valuation also reported that there were 0 active members, 962 deferred members and 823 pensioner members, a total of 1,785 members.

A subsequent scheme funding valuation was performed to 30 September 2021. At that date, the scheme was in a estimated surplus of £12.1m and had a funding level of 106%. Following this updated scheme funding valuation, the Trustee agreed with the employer that deficit contributions could cease from October 2021, the only continuing contributions agreed at this valuation related to expenses only.

Long-dated AA corporate bond yields (used to set the discount rate under the accounting standard) have increased by 3.2% (from 1.83% to 5.03%) over the period. This is part reflects a tightening of monetary policy and therefore a higher interest rate environment as the Bank of England seeks to mitigate inflationary pressures, with RPI and CPI inflation trending significantly above expected long term levels during 2022. The period of market volatility during September to October 2022 in the wake of the mini-budget has also increased focus on investment portfolios and risk disclosures, particularly around asset and liability matching strategies. The Pensions Trust operate an interest rate hedge so that asset values move in line with pension liabilities in the event of changes in interest rates. This hedge remained in place during the period of market volatility. A further scheme funding valuation was performed to 30th September 2022. At that date, the scheme was in an estimated deficit of £0.7m, compromising assets of £149.3m less estimated liabilities of £150m, with a funding position of 100%.

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25. PENSION COSTS (CONTINUED)

(c) Triennial valuation: assumptions

The triennial actuarial valuation carried out at 30 September 2020 used the following principal assumptions:

Average rate of return on investments pre-retirement	Initial rate of gilt yield curve plus 1.61% p.a. at the valuation date tapering linearly to gilt yield curve plus 0.5% p.a. over a transition period of 11 years for past service liabilities.
Retail Price Index assumption	Gilt inflation curve
Consumer Price Index assumption	RPI less 1.0% p.a. at each term until 2030 and RPI inflation less 0.3% p.a. at each term thereafter.

Mortality 102% after retirement of S3PMA (males) and S3PFA (females). CMI_2019 with long-term improvement rates of 1.5% pa for males and 1.25% for females.

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2022

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance sheet date. In the 2020 triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2020 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied then explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

(i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer;

(ii) the scheme holds quoted securities and these have been valued at bid-price.

Reconciliation of opening and closing balances of the scheme assets and liabilities	Fair value of scheme assets £000	Present value of scheme liabilities £000	**Scheme assets less scheme liabilities £000**
Scheme assets/(liabilities) at start of year	228,081	(206,514)	**21,567**
Expenses	(182)	–	**(182)**
Interest income/(cost)	4,115	(3,720)	**395**
Actuarial gain	(81,254)	64,879	**(16,375)**
Contributions by employer	208	–	**208**
Benefits paid	(6,511)	6,511	**–**
Scheme assets/(liabilities) at the end of year	144,457	(138,844)	**5,613**
Provision for loss due to benefit changes			**–**
Unrecognised surplus scheme assets			**(5,613)**
Scheme assets/(liabilities) recognised at the end of year			–

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25. PENSION COSTS (CONTINUED)

(e) Amounts recognised in the statement of financial activities	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Interest income	**4,115**	2,999
Interest expense	**(3,720)**	(3,002)
Interest on effect of asset ceiling	**(395)**	–
Net interest expense	**–**	(3)
Expenses	**(182)**	(179)
Provision for benefit changes	**–**	–
Total expense/(income)	**(182)**	(182)
Net actuarial gains/(losses) in the year	**(16,375)**	19,744
Unrecognised surplus/effect of asset ceiling	**15,954**	(21,567)
Interest on effect of asset ceiling	**395**	–
Total increase/(decrease) in net funds	**(208)**	(2,005)

(f) The assets at 31 December 2022 are represented by:	At 31/12/2022 Fair value £000	At 31/12/2021 Fair value £000
Equities	**3,594**	32,746
Bonds	**69,664**	93,348
Property	**17,609**	20,769
Cash	**1,381**	2,029
LDI	**41,345**	55,576
Other	**10,864**	23,613
Scheme assets	**144,457**	228,081

(g) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	Year to 31/12/2022 % p.a.	Year to 31/12/2021 % p.a.
Discount rate	**5.03**	1.83
Inflation (RPI)	**3.15**	3.31
Inflation (CPI)	**2.84**	2.96
Deferred revaluation: RPI max 5% p.a.	**3.15**	3.31
Pension increases in payment: CPI max 5% p.a.	**2.78**	2.90
Pension increases in payment: CPI max 2.5% p.a.	**1.98**	2.00
Pension increases in payment: CPI max 3% p.a.	**2.24**	2.30

Demographic assumptions

Mortality	Year to 31/12/2022	Year to 31/12/2021
Base tables	**S3PXA**	S3PXA
Loading on base tables	**107%**	107%
Improvement allowance, for males	**CMI_2021 (1.5%)**	CMI_2020 (1.5%)
Improvement allowance, for females	**CMI_2021 (1.25%)**	CMI_2020 (1.25%)
Smoothing parameter	**7.0**	7.0

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25. PENSION COSTS (CONTINUED)

(h) Review of scheme benefit changes

During 2021 Save the Children UK were notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. This review identified that, in some cases, changes to Scheme benefits (primarily those made in 1994) may have been implemented at a time or in a way that may not have been in accordance with the TPT Trust Deed or Rules and other relevant governing documentation or applicable law. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). If the court finds that any of the amendments made to the benefits of members were not validly made by TPT in line with the TPT governing documentation and/or applicable law, the Trustee may be required to amend the TPT Rules to reflect the benefits members were entitled to before the relevant amendment(s) was made. This may result in an increase to the Scheme's liabilities.

The actuarial valuation for the Scheme as at the end of 2022 identified a surplus of £5.6m performed under FRS 102 and makes no allowance for these potential liabilities. The financial impact of the potential liabilities is still under review. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q4 2024 (and may subsequently be subject to appeal).

Save the Children UK have reviewed information shared by TPT and received independent legal and financial advice regarding the potential financial impact of the various scheme changes and the likelihood of a court ruling that the various changes were invalid. There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0m–£61m of liability (calculated on FRS 102 assumptions based on financial conditions as at 31 December 2022). This estimate is based on the current investment strategy and applicable valuation assumptions. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed. Where liabilities exceed the funding surplus in the Scheme, we may seek to change the future investment strategy of the scheme and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficity reduction payments made in previous years when the Scheme was in deficit.

(i) Defined contribution scheme

Save the Children UK has a Group Personal Pension (GPP), provided by Legal and General as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

The cost of the defined contribution scheme is included within salary costs as shown in note 8. It is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates. Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Pension contributions	**2,081**	2,117

	At 31/12/2022 £000	At 31/12/2021 £000
Outstanding pension contributions	**–**	316

These are included within creditors in note 17a.

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25. PENSION COSTS (CONTINUED)

(j) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements – a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers).

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2020 by a professionally-qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 81%.

The triennial valuation at 30 September 2020 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £1.3 million.

The actuary advises that the deficit in the scheme, on an FRS 102 basis, is £0.1 million (2021: £0.1 million). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers. Save the Children UK started to make deficit contributions in April 2013. In 2022 Save the Children UK paid £55k (2021: £123k). Contributions from April 2023 are £32k and increase annually by an inflation factor; it is estimated that this should reduce the potential debt to zero by September 2025. Under FRS 102 Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

Net movement in the pension liability	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Provision at the start of the period	**120**	521
Unwinding of the discount factor (interest expense)	**1**	1
Deficit contribution paid	**(55)**	(123)
Remeasurements – impact of any change in assumptions	**(2)**	(1)
Remeasurements – amendments to the contribution schedule	**–**	(278)
Provision at the end of the period	**64**	120

Amounts recognised in the statement of financial activities	**Year to 31/12/2022 £000**	Year to 31/12/2021 £000
Interest expense	**1**	1
Remeasurements – impact of any change in assumptions	**(2)**	(1)
Remeasurements – reduction in future agreed contributions	**–**	(278)
	(1)	(278)

Financial assumptions	**Year to 31/12/2022 % p.a.**	Year to 31/12/2021 % p.a.
Rate of discount	**4.96**	1.18

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26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2022 £000**	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2021 £000
Income and endowments from:						
Donations and legacies	65,607	34,459	**100,066**	64,366	19,944	84,310
Charitable activities	–	174,225	**174,225**	–	136,864	136,864
Other trading activities	8,154	–	**8,154**	6,633	–	6,633
Investments	866	–	**866**	496	–	496
Other	2,558	111	**2,669**	2,874	96	2,970
Total income	77,185	208,795	**285,980**	74,369	156,904	231,273
Expenditure on:						
Raising funds	30,603	663	**31,266**	28,673	1,380	30,053
Charitable activities						
Nutrition	2,388	18,817	**21,205**	3,221	14,682	17,903
Livelihoods	3,341	28,111	**31,452**	3,826	19,386	23,212
Health	4,094	39,685	**43,779**	5,350	26,242	31,592
Protection and rights	1,219	10,554	**11,773**	1,591	8,752	10,343
Education	5,871	50,082	**55,953**	7,902	37,331	45,233
Rapid onset emergencies	10,535	57,287	**67,822**	12,956	42,936	55,892
Advocacy and awareness	7,904	2,879	**10,783**	7,115	3,216	10,331
Total charitable activities	35,352	207,415	**242,767**	41,961	152,545	194,506
Other	2,669	10	**2,679**	2,430	7	2,437
Total expenditure	68,624	208,088	**276,712**	73,064	153,932	226,996
Net (losses)/gains on investments	(2,031)	(654)	**(2,685)**	2,207	634	2,841
Net income/(expenditure)	6,530	53	**6,583**	3,512	3,606	7,118
Transfers between funds	267	(267)	**–**	458	(458)	–
Actuarial losses on defined benefit pension scheme	(24)	–	**(24)**	(1,544)	–	(1,544)
Net movement in funds	6,773	(214)	**6,559**	2,426	3,148	5,574
Fund balances brought forward	41,788	19,103	**60,891**	39,362	15,955	55,317
Fund balances carried forward	**48,561**	**18,889**	**67,450**	41,788	19,103	60,891

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27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Foreign, Commonwealth and Development Office in the year ended 31 December 2022

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES)	2
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	271
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	4,082
DRC Country Office	Emergency FSL Reponse to affected population in Nyiragongo 2022	13
DRC Country Office	Girl's Education Challenge Transition	(3)
DRC Country Office	UK Aid Match Round 4	10
Mozambique Country Office	DFID COSACA Consortium	(32)
Mozambique Country Office	Drought and Food Insecurity in the Provinces of Gaza and Inhambane	32
Mozambique Country Office	Programme for Advancement of Girls' Education	(184)
Multi-country	Girl's Education Challenge	(190)
Multi-country	WASH Track 3 Intervention and rehabilitation of water resources	164
Multi-country	Working to Improve Newborn and Child Nutrition in Northern Nigeria	43
Myanmar Country Office	MMR Supporting children in the first '1000' days of life and beyond, to reduce child mortality and stunting in high burden states and regions of Myanmar	2
Nigeria Country Office	Child Development Grant Programme (CDGP), Northern Nigeria	(6)
Nigeria Country Office	Expanding Social Protection for Inclusive Development	1,537
Nigeria Country Office	FCDO Partnership for Learning for All (PLANE) 2021	123
Sierra Leone Country Office	Freetown WASH Consortium (FWC) 3b	(6)
Somalia Country Office	Community Health and Nutrition through Local Governance and Empowerment (CHANGE) programme	(6)
Somalia Country Office	BRCiS IRF FCDO	385
Somalia Country Office	FCDO Scale up of life saving Health and Nutrition services in Somalia	111
Somalia Country Office	Somalia 2022 Drought Response – BRCIS Programme To-Up	1,423
Somalia Country Office	Somalia Humanitarian and Resilience Programme (SHARP) Phase II	959
Start Network	Start Earthquake 2022	5
Start Network	Start Fund Bangladesh Phase 3	1,319
Start Network	Start Fund Nepal Contribution 2021–2022	92
Start Network	Start Response to flooding in Tonj-South, SSD 2021	2
Start Network	Start Fund 2018–2022	10,687
Start Network	Start Fund Nepal FCDO	513
Start Network	Start Network Crisis and Disaster Risk Financing 2019	2,360
Start Network	FCDO Start Fund 2022–2025	2,834
Start Network	Start Ready – Crisis and Disaster Risk Financing	48
Syria Response Office	Immediate Relief for Detained Children in NE Syria	129
Tanzania Country Office	Increasing Access to Education in Zanzibar	176
Turkey Country Office	Humanitarian Relief for children and their families affected by conflict in Syria	(130)
Turkey Country Office	Strengthening Social Connectedness and Reducing Inequalities Among the Most Marginalised and Vulnerable Children in NES	1,770
Uganda Country Office	ULEARN 2019	814
United Kingdom	Elrha – Research for Health in Humanitarian Crises (R2HC) Phase 3 – FCDO	113
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	1,277
United Kingdom	SUN CSN Support 2018–2021	3
United Kingdom	Elrha – DFID/FCDO 2019–2023 – Humanitarian Innovation Fund/ Community-Led Innovation/Global	4,000
		34,742

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27. INCOME FROM UK AND IRISH GOVERNMENTS (CONTINUED)

Income from the UK Department of Health in the year ended 31 December 2022

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	198
		198
Total UK central government income		**34,940**

(b) Income from the Irish government in the year ended 31 December 2022

Countries supported	Project	£000
Ethiopia Country Office	ECSC-SUN Irish Aid Funding 2022/23	40
Ethiopia Country Office	Irish Aid Contingency support to SWAN for Tigray Conflict	6
Ethiopia Country Office	Irish Aid Gender Equality	1,586
Ethiopia Country Office	Irish Aid Support for ECSC-SUN 2021–25	268
Ethiopia Country Office	Ethiopia Irish Aid Humanitarian	(9)
Malawi Country Office	Pathways to resilience (P4R)_2019–2021	121
Malawi Country Office	P4R Phase II	343
Sierra Leone Country Office	Genda Bizness	83
Start Network	Irish Aid Start Fund Contributions 2021 and 2022	1,542
Start Network	Irish Aid Start Funding 2020–2021	41
United Kingdom	SUN CSN 2022–2025 Irish Aid	123
United Kingdom	SUN CSN Support 2018–2020	121
		4,265

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.

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THE SAVE THE CHILDREN FUND

England & Wales - Charity number 213890

Accounts

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Save the Children

ANNUAL REPORT 2021

TOGETHER

WE POWER

POSSIBLE



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PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

TENNEH IS UNSTOPPABLE

We believe that every child is full of potential, just like Tenneh who appears on the cover of this annual report.

Tenneh, 13, who lives in a remote corner of Sierra Leone, goes to great lengths to get an education. The only way she can reach her school is across a river. So every morning she powers her way there in her canoe – no matter what the weather.

"When I am sitting in my boat on the way to school and the wind is blowing, I park and wait for the wind to stop. Then I jump back into my boat quickly so I can get to school early," says Tenneh.

We've rebuilt schools in Sierra Leone, kitted out pupils and trained teachers. Now Tenneh's school stands out, with students achieving above the national average in their exams.

We're making sure girls like Tenneh across the world can get an education and the chance to build the future they deserve. In the pages that follow, you'll read more about the progress we've made this year.

"I want to be educated and help my parents... the school is beautiful"



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

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WHO WE ARE

We believe that every child is full of potential. We support children to transform their own lives, and are committed to making a positive, lasting difference for and with children. We put children's rights at the core of everything we do.

We work in partnership with local organisations and communities, volunteers and the public, social movements and civil society groups, governments and international institutions, private sector organisations, foundations and philanthropists, artists and ambassadors and, above all, with children and families to create change that lasts a lifetime.

IN MEMORY

We dedicate this report to the Save the Children staff who tragically lost their lives during the past year. We, their colleagues, will remember them, and the impact they had for children will live on. Our deepest condolences go to their families, friends and colleagues.

Names marked with * have been changed to protect identities.

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"There is hope for a better future"

Formed in 2021, the Youth Advisory Board is made up of 18 young people aged 12–18 from across the UK. The Board works closely with Save the Children UK staff to help shape projects across our campaigning, fundraising, media and brand work in the UK. For more information, please see page 30.

I got involved in youth activism because I strongly wanted to give a voice to the people who are often not heard or are neglected. In particular, I want to highlight the crucial role that education plays in a child's life. For example, many children are forced to work for low wages and as a result, cannot go to school themselves, leaving many stuck in a destructive cycle that steals away their chance to grow and flourish.

Having grown up in India, I went to a village where children were discouraged from going out of their houses during the summer. After talking to some people in the local community, I learnt that it was because they believed the devil would get them. In fact, the 'devil' was dehydration and diarrhoea, caused by the immense heat. This made me realise how important education is for changing a person's life.

Talha, 18
Youth Advisory Board member

We want world leaders to pay more attention to young voices. Many issues like poverty, climate change and low levels of literacy affect the younger generation directly. Leaders need to work with us, not just for us. As young people living in the UK, we want our government to be transparent on such pertinent issues. These issues affect so many people and can often disproportionately affect young people. For example, income inequality doesn't just affect working class parents but also the children who experience negative repercussions.

As young adults, we understand that there are some truly complex issues and answers are not straightforward; there are a lot of stakeholders and situations to consider before making policies that can be life changing. But, as young people, we can bring a fresh and current perspective, and we hope that our involvement can help world leaders move towards attaining a globe where suffering is diminished.

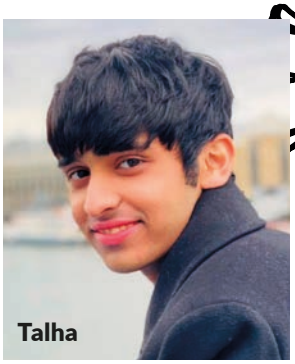
Reese, 18
Youth Advisory Board member

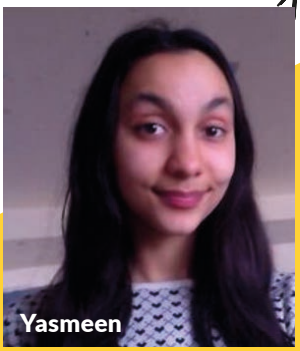
As Board members, our activities have ranged from incredible campaigning workshops to presenting deeply meaningful videos like 'Climate Crisis: You're Invited'. Yet, being on the board was so much more than the work alone. I learnt so much from the passion, determination, kindness and creativity that shone from the fellow board members and the people who helped orchestrate it.

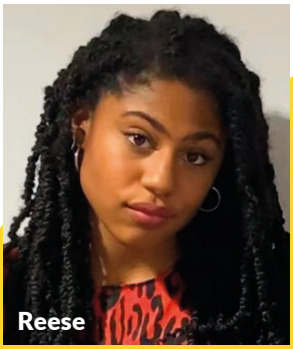
The Youth Advisory Board is a gleaming reminder that there is hope for a better future. A future where people of all backgrounds come together to improve the conditions of children around the globe.

Joining Save the Children for 2021 was one of the best decisions I have taken – I can't wait to continue in 2022!

Yasmeen, 17
Youth Advisory Board member


Talha


Yasmeen


Reese

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MAKING BETTER POSSIBLE



PHOTO: ANNA GORDON/SAVE THE CHILDREN

In a year when the world continued to contend with the impact of COVID-19, Save the Children stayed committed to supporting the vision of our founder, Eglantyne Jebb. We worked to help create a world where every child receives a healthy start, a chance to learn and protection from harm.

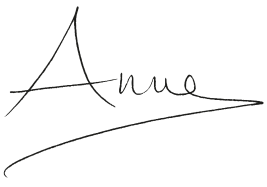
Taking the lead from children's endless energy, creativity and passion, we responded boldly to meet their rapidly changing needs. We kept education alive for millions under lockdown. Through its Emergency Fund, Save the Children UK acted quickly as needs emerged, whether the humanitarian disaster in Afghanistan or the conflict in Ukraine. These crises have added to the growing list of other countries in difficulties, such as Yemen, Syria and Ethiopia where we focus our operations. Our UK staff also helped on response logistics, programming and planning for long-term impact. We will continue to play an active role in striving to improve every child's long-term future.

We have of course stood by parents in the UK to give their children the best start in life. In the face of uncertainty and disruption, we found innovative new ways to help children. One inspiring example saw us join forces with 30 organisations from across the UK for a 'Summer of Play'. It gave children the space, time and freedom to simply enjoy themselves together, after missing out on so much over the past year.

Despite the continued challenges they've faced this year, the devotion of Save the Children's supporters has not wavered. In September, I was pleased to attend my first 'in-person' engagement for Save the Children in two years. It was to meet partners who have dedicated almost 30 years of service to supporting the organisation. Our staff, volunteers, supporters and partners have stayed committed to children in the UK and around the world, making a positive, lasting difference even amid COVID-19, conflict and natural disasters, often working in the most difficult and dangerous environments.

Save the Children knows that children should not be defined by their situation – it does not determine who they are and who they can become. Our 100-year history is evidence that change is possible and a better world for children can be built. We continue to depend on the commitment of all involved to support this change.

I am extremely grateful for everything you have done for children this year. Thank you for being with us and the children we work with, as we continue to work for a better future for children.



HRH The Princess Royal
Patron, Save the Children UK

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MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

In a year that was once again dominated by COVID-19 restrictions and lockdowns, we're immensely proud of everything our colleagues here in the UK and around the world achieved for and with children in 2021.

Last year, our teams continued to adapt to the impact of the pandemic, harnessing their collective expertise and experience to provide urgent support to families in crisis, virtually and physically. The achievements for children set out in this report – from our Suchana nutrition programme in Bangladesh (page 11), to our flagship pneumonia work in Nigeria (page 12), to our Keep the Lifeline campaign here in the UK (page 24) – is testimony to their dedication, hard work and resilience. We also had a change in leadership, with Kevin Watkins stepping down as Chief Executive in July 2021 after five years in the role. We thank Kevin for his commitment and diligence.

Some of our staff lost their lives during the last year in their efforts to keep children safe. We want to take this opportunity to remember these colleagues and pay tribute to their courage. Our thoughts are with their loved ones.

LOOKING BACK TO DRIVE FORWARD

Every day, we see the amazing resilience of the children and families we are here to serve. But the triple threat of COVID-19, conflict and climate change continues to make their lives increasingly hard.

Our recent *Stop the War on Children* report found that nearly 200 million children were living in the world's most lethal warzones. This is the highest number in over a decade and doesn't take into account the conflict in Ukraine, which has put 7.5 million extra children in danger of physical harm, severe emotional distress and displacement. Here in the UK, more and more children face growing hardship, with 3.9 million now living in poverty – a number which is likely to grow significantly as the cost-of-living crisis mounts.

As the conflict in Ukraine sends global food prices soaring, droughts and floods exacerbated by climate change has seen malnutrition rates skyrocket: 5.7 million children under five are now just one step away from famine. Nowhere is the situation more severe than in the Horn of Africa. Four consecutive failed rainy seasons, combined with rising



PHOTO: KATE STANWORTH/SAVE THE CHILDREN

Lexie, 11, from Wallsend takes part in our Summer of Fun, which we organised for children across the UK to help reverse the damaging effects of lockdown.

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food prices, have led to a deepening food crisis affecting 18.5 million people in Somalia, Ethiopia and Kenya. We know that failure to act now will prove catastrophic. We must save lives and prevent hunger in the short-term, whilst making systems more resilient for the future – this is one of our key priorities (page 10).

THE ROAD AHEAD

Statistics like this make hard reading, but if the last two years have taught us anything, it's that – when we work together – we can tackle the greatest challenges of our time and achieve remarkable progress. This report contains plenty of examples to prove the power of partnership. That's why our new strategy – 'Let's make Better Possible' – sets out how we'll work in greater collaboration with children, to help them see what's possible and how they can realise their potential. It charts a course towards our three long-standing breakthrough objectives – that all children survive, learn and are protected.

Our strategy adds a fourth objective: to help families in crisis and to build resilience to future shocks. We will continue to provide high-quality emergency assistance to children whenever they need us. But we know that the number of shocks will rise, thanks to COVID-19, conflict and climate change. So we will step up our campaigning for global action to tackle these threats. We'll also help vulnerable communities to get access to safety nets, including social protection systems and innovative risk insurance instruments, that pay out when humanitarian assistance is required, so families can cope better.

As a child rights organisation, we must double down on our commitment to prioritise the rights of children left behind due to poverty, inequality and discrimination. We will build a global movement for change – led by children and young people – who believe that a fairer, greener future is possible. We will also harness innovations, including technology, data and evidence, to help us achieve an even greater impact.



As the climate crisis worsens, we're making sure families like Amina's from Somalia can access clean water.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

In line with our Diversity and Inclusion strategy – 'Free to be me' – we will seek ways to transfer power and resources over to local communities, partners and the children we serve, because those closest to the challenges we seek to address are best placed to take them on.

Internally, we'll continue to prioritise our people and culture work. In 2021, this included the launch of our new mentoring programme 'Breaking Barriers', designed to promote the confidence, career progression and development opportunities of staff from minority groups. We know there is still more to do and we look forward to driving forward this incredibly important work.

We have set our ambitions high and we are very grateful to our supporters for coming on this journey with us – our work wouldn't exist without you. We know there will be challenging times ahead, and we remain steadfast in our commitment to show up for children each and every day. We know that together we can help children build the future they deserve.



Ahmed, 16, lost both his legs and his left hand during shelling in Yemen. We helped him get vital medication and psychological support, and made sure he could continue his education.

PHOTO: ALBARAA MASNOOR/SAVE THE CHILDREN

Gwen Hines
Chief Executive, Save the Children UK



Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK



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A GLOBAL MOVEMENT

Save the Children UK is one part of the Save the Children movement, a global membership organisation made up of Save the Children International and 30 national members. We share one name and one ambition: a world in which every child has the right to survive, learn and be protected.

In 2021, through our work with local and global partners, the Save the Children movement directly supported 43 million children in 118 countries around the world.

In all our work, we aim to:

- build partnerships – to increase our influence and impact (see page 30 for more on how we're working in partnership)
- innovate – develop and demonstrate evidence-based, replicable solutions to the problems children face
- achieve results at scale – by expanding effective and sustainable approaches
- be the voice – campaign for better practices and policies to fulfil children's rights and ensure their voices are heard.



PHOTO: SAVE THE CHILDREN

Anita teaches her daughter Aayushma, 5, using alphabet cards from education packs we provided to keep children learning in Nepal during the pandemic.

SAVE THE CHILDREN UK AS PART OF THE MOVEMENT

In 2021, Save the Children UK supported the global movement in 45 countries. We provided technical expertise, funding, strategic and governance support, advocacy, programme management and humanitarian response work. We also supported staff, partners and the wider sector with capacity strengthening programmes.

OUR SHARED 2030 AMBITION

The Save the Children movement's long-term 2030 ambition, which is aligned with the Sustainable Development Goals, focuses on three global breakthroughs:

- **SURVIVE**: By 2030, no child will die from preventable causes before their fifth birthday.
- **LEARN**: By 2030, all children will learn from a good-quality basic education.
- **BE PROTECTED**: By 2030, violence against children will no longer be tolerated.

The movement brings together the collective strength of all its members and country offices to work towards these ambitious targets. But we know we cannot reach them alone and we recognise our role as part of a worldwide movement. Together, we'll do everything we can to achieve these world-changing ambitions for children.

THE NEXT THREE YEARS

To move us rapidly towards our 2030 ambitions, the Save the Children movement has developed its 2022–24 strategy. It aims to help all children gain:

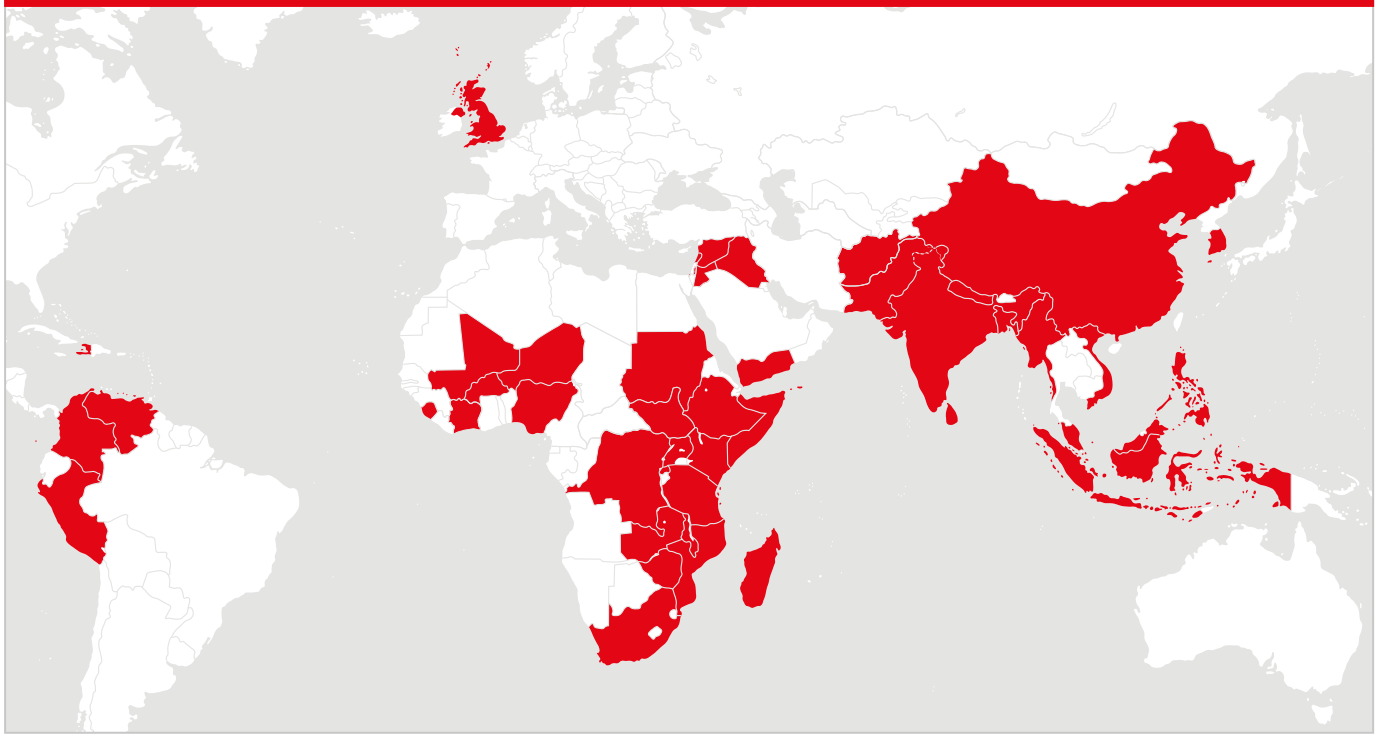
- a healthy start in life
- a safe return to school and access to quality learning
- a childhood free from violence
- resilience to cope with future shocks.

We'll tackle the triple threat of COVID-19, conflict and the climate crisis, and we'll prioritise the rights of the children worst-affected by inequality and discrimination.

Save the Children UK will play a pivotal role in delivering each of the four strategic goals – working with and for children to bring about long-lasting change in the UK and around the world. Here in the UK, we'll focus particularly on children's learning and support for families.

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The Save the Children movement works in 118 countries. In 2021, Save the Children UK supported the movement in 45 of these countries – as highlighted in the map below.*



** Around £49 million of global programming spending is multi-country, and these countries are not reflected in the map above. This includes Start Network grants (please see page 50 for more information) for which we have a contract with donors as the grant custodian, and our subsidiary entity Elrha. It also includes humanitarian spend through our Emergency Health Unit and humanitarian department and programmatic contributions to Save the Children country and regional offices.*

We'll transform how we work with children and communities, so they have a big say in what needs to change and how. We'll build a movement of support behind our cause. We'll accelerate our impact using tech, data and evidence. And we'll create a kind and inclusive organisation.

Save the Children UK's contribution to the movement's strategy is set out in 'Let's Make Better Possible' – our own strategy for 2022–24. See page 38 for more details.

TRACKING OUR PROGRESS

We have clearly defined measures of success set out in our Global Results Framework. This framework helps us track how our day-to-day work leads to progress towards our 2030 breakthroughs for children.

POWER SHIFT

In 2021, as part of our 2022–24 organisational strategy, we committed to the principle of 'shifting power' – away from ourselves and towards community-based organisations, communities and children. This means sharing our resources, experience, data, knowledge and skills to forge truly equitable partnerships, where our partners have the tools and knowledge they need to make an impact.

It involves building alliances between small organisations rooted in the experience of communities with larger organisations that have the reach to create change at scale.

We commissioned external consultants DA Global to study localisation and decolonisation practices at Save the Children UK. They led a series of discussions with staff across the organisation on 'shifting power' and how we can make our work more inclusive. We have also set up a Shifting the Power Steering Group and produced Ethical Storytelling guidelines.

See page 13 to read more about how we are investing in shifting power through our work with the Humanitarian Leadership Academy.

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BREAKTHROUGH: SURVIVE

Global breakthrough: by 2030, no child will die before their fifth birthday from preventable causes

In 2021, we found new ways – and used tried and tested approaches – to save millions of children's lives.

We provided children most affected by inequality and discrimination with the health care and nutrition they needed to survive.

As more waves of the COVID-19 pandemic swept through the countries where we work, we stepped up our emergency response. Alongside community-based organisations, we provided life-saving medical care and set up hospitals to treat COVID-19 patients.



Baby Eshe* has just received her measles vaccine at an Emergency Health Unit clinic in Tigray, Ethiopia.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

26.5 MILLION CHILDREN

reached through our movement's health and nutrition programmes in 2021

As a global hunger crisis pushed 45 million people to the brink of famine, we worked to treat and prevent malnutrition. And we pioneered new programmes to reduce the risk of children becoming malnourished in the first place.

We focused on tackling pneumonia, the single largest infectious killer of young children worldwide, inspiring extra global funding, pushing to make vaccines more available and providing oxygen to children struggling to breathe.

Our activities to help children survive are part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations, and financed by a range of Save the Children members and donors.

EMERGENCY HEALTH UNIT

When disaster strikes, Save the Children's Emergency Health Unit (EHU) of doctors, nurses, midwives, engineers and supply-chain specialists can respond within a matter of hours.

In 2021, we deployed the EHU 13 times to 11 countries. These responses included:

- a mass vaccination campaign for measles in the Democratic Republic of Congo (DRC), where the EHU supported our country office and the Ministry of Health to administer over 270,000 vaccinations to children
- vaccine campaigns for COVID-19 in the DRC and cholera in Ethiopia, which immunised 12,706 and 418,719 individuals respectively
- setting up six mobile clinics in Tigray, Ethiopia, which reached 36,000 people with services, including primary healthcare, sexual and reproductive health services, and screening for malnutrition.

In all, the EHU reached 1,135,568 people, including 471,942 children, in 2021.

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COVID-19 IN INDIA



We've provided children like Chandra*, Anam* and Sohag* (left to right) in India with masks and information about how to protect themselves against COVID-19.

PHOTO: ROHIT/SAVE THE CHILDREN

In April 2021, India faced a devastating second wave of COVID-19, with new case numbers surging to nearly 400,000 per day at its peak. Health systems were overwhelmed, and many hospitals ran out of oxygen and beds.

With the tremendous support of the UK public, who contributed generously through the DEC Coronavirus Appeal, as well as partners such as AXA XL, Collinson, GSK, Unilever and Virgin Atlantic, we supported Save the Children India to bolster government public health systems. Together, we:

- delivered supplies and equipment, including testing kits and more than 2,000 oxygen concentrators
- set up three 'pressure swing absorption' oxygen plants, which include everything needed to produce large volumes of medical-grade oxygen
- worked with community-based organisations, such as the Centre for Youth Development and Activities, to set up temporary COVID-19 hospitals and quarantine centres in a densely populated slum in Pune City
- provided cash transfers to families struggling to cope with the financial impact of COVID-19.

VACCINES FOR ALL

Part of what made India's second wave so devastating was a lack of access to vaccines. When the second wave peaked in April only 1.9% of the country had been fully vaccinated, and that number had still only reached 43% by the end of December.

In 2020, the world came together to set up COVAX, a global mechanism for the pooled procurement and equitable distribution of COVID-19 vaccines. It was a welcome step, but by the end of 2021 fewer than 10% of people in low-income countries had received at least one vaccination dose. This was in part due to some governments in richer countries building stockpiles of doses.

Throughout 2021, we worked alongside various coalitions and allies, including Wellcome Trust, the Bill & Melinda Gates Foundation, ONE and others for vaccine fairness. Together, we campaigned for the redistribution of vaccine stockpiles and equitable access to all forms of lifesaving COVID-19 vaccines and treatments. We also pushed for the pharmaceutical industry to share vaccine recipes to allow manufacturers in low- and middle-income countries to make their own.

At the G7 meeting in June, there were a series of high-profile commitments to share doses and in October, G20 leaders established the aim of vaccinating 70% of the world by mid-2022. However, they did not agree on how that goal would be funded. We continue to call on world leaders to meet their commitments.

It's important to note that the impact of COVID-19 has also reduced children's access to routine childhood immunisations, putting them at risk of illness and death from vaccine-preventable diseases. UNICEF estimates that 80 million children under one year old may have missed out on routine vaccinations due to the pandemic.

COVID-19 CHALLENGES

COVID-19 again affected our ability to deliver our work, particularly on education, as schools remained closed for long periods. We responded with innovative distance-learning approaches and professional development for teachers.

The pandemic also curtailed travel and face-to-face engagement with partners, project teams and campaign champions. However, we learnt a lot during 2020 and were much more effective in providing support remotely. Reducing our need for travel also supports our commitment to reducing our carbon emissions. See page 29 for more information.

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A GLOBAL HUNGER CRISIS



Filmon*, 2, is held by his mother Azeb* while he's screened for malnutrition at an Emergency Health Unit clinic in Tigray, Ethiopia.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

There are as many as 811 million undernourished people in the world. In the past few years, a combination of COVID-19, conflict and climate change has seen the number of people on the brink of famine rise from 27 million in 2019, to 45 million by November 2021. Parts of Ethiopia, South Sudan, Syria and Yemen have been hardest hit.

And things are getting worse. As the crises in Afghanistan and Ukraine deepen and drought tightens its hold across sub-Saharan Africa, food and access to safe water is becoming unattainable for millions.

That's why we are acting now to prevent the loss of lives and livelihoods – early action is key to avoiding the worse effects of food crises and is more cost-effective than responding once those crises have really taken hold. We are working with others to call for a huge and urgent increase in funding to prevent famine and severe hunger in the most at-risk countries.

MEETING IMMEDIATE NEEDS

In 2021, we researched and piloted new approaches to both prevent food crises and help more children access treatment for malnutrition in some of the world's hardest-to-reach places.

We supported community-based work in Somalia, Kenya, South Sudan, Afghanistan and Yemen to diagnose, treat and prevent malnutrition. We enabled families and caregivers to

THE EMERGENCY FUND*

Some emergencies capture more public attention than others. Some disasters don't make the news at all. There are no public appeals for funds to help children caught up in these hidden emergencies – highly vulnerable children who remain invisible to a world that isn't watching.

In 2021, we and other Save the Children members launched the Emergency Fund so we can distribute resources quickly and efficiently in response to disasters that don't make the news. It pools more than $50 million from across the Save the Children movement into a flexible, central fund. It means we are ready to respond when disaster strikes or when situations deteriorate in the volatile contexts in which we work.

** Previously referred to as the Children's Emergency Fund.*

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detect acute malnutrition themselves, vital for those who live hours from the nearest health centre or cannot afford to pay for care. And we identified the approaches that worked best and then used them to influence and support governments to scale them up.

LONG-TERM MEASURES

Our approach to tackling hunger does not just encompass immediate life-saving work. In 2021, we helped some of the world's most vulnerable communities to change their diets for good.

One pioneering example is our Suchana programme, jointly funded by the UK government and the European Union, which aims to reduce stunting in rural Bangladesh by addressing several of the key causes of malnutrition. It has reached more than 235,000 households since its inception in 2016.

A large-scale randomised control trial found that while the programme did not reduce stunting it did tackle many of its underlying causes – boosting household income, improving infant feeding practices and increasing the diversity of families' diets.

The project is being implemented in four phases. In the first phase of the project we found that in the households Suchana supported, the proportion of:

- mothers exclusively breastfeeding increased from 62% to 85%
- infants getting a minimum acceptable diet increased from just 10% to more than a third
- mums eating a diverse diet almost doubled – rising from 27% to 53%.

And median household incomes increased from 80,000 taka (£736) to 96,000 taka (£883) per annum.* While rural Bangladesh has been severely affected by the COVID-19 pandemic, our data suggests that the project has maintained these positive results into its later phases.



PHOTO: LÉONARD PONGO/ SAVE THE CHILDREN

Baby Mbombu* held by her mum Bakaji* at a Save the Children-supported community health centre in DRC.

A CHILD-CENTRED APPROACH TO HUNGER

Children's views increasingly shape the way we work. In 2021, we consulted children in South Sudan, Somalia, Madagascar and Kenya, aiming to understand their needs and priorities, as well as how they want to be involved in addressing the challenges they face.

The consultations demonstrated that a lack of food affects their ability to go to school, to concentrate and learn, to form healthy relationships with their families, and to avoid damaging activities such as theft or drug use. We used our findings to inform our response and to influence other humanitarian organisations to prioritise the needs of children.

In South Sudan, one child told us: "All the organisations should include boys and girls in decision making processes to encourage inclusion." In 2022, we will run similar consultations in more countries impacted by the hunger crisis as part of our commitment to engage with and listen to children in everything we do.

MANY MEMBERS, ONE VOICE

Save the Children UK hosts the secretariat of the Scaling Up Nutrition Civil Society Network (SUN CSN). The network comprises more than 3,000 local, national and global members, including human rights defenders, community organisations, women's groups, smallholder farmers, research agencies, child rights advocates and more.

It aims to galvanise its members to build relationships, share resources and advocate with one voice for action against malnutrition. At the Nutrition for Growth Summit in Japan in December, we helped secure a massive new commitment from world leaders of over $27 billion to tackle malnutrition, following years of collective SUN CSN advocacy.

The Save the Children movement also committed to invest around $500 million ourselves to reach over 100 million children with prevention or treatment for undernutrition.

** Exchange rate used: £1 to 109 Bangladeshi taka*

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LEADING THE FIGHT AGAINST PNEUMONIA



PHOTO: YAGAZIE EMEZI/SAVE THE CHILDREN

Olamide comforts her baby son Malik* as he receives medical oxygen at a health centre in Nigeria after he was diagnosed with pneumonia. Our GSK-funded INSPIRING programme has equipped dozens of health centres in Nigeria with oxygen supplies.

Pneumonia claims the lives of 800,000 children under five every year – making it the world's single largest infectious killer of children. And yet we already have the vaccines and treatments – including antibiotics and oxygen – we need to prevent almost all of these deaths.

In 2021, we continued to lead the way in the fight against childhood pneumonia.

PREVENT, PROTECT, DIAGNOSE AND TREAT

Since 2017, Save the Children UK has been working closely with nine* of the countries worst affected by pneumonia to end preventable deaths and save the lives of more than 5.3 million children by 2030.

Globally, we have joined forces with partners such as the Every Breath Counts coalition, UNICEF, Philips India, GSK and Unilever to extend access to vaccines, life-saving oxygen and community healthcare. Here are some of our successes in 2021:

- Thanks in part to our advocacy, governments in Indonesia, South Sudan and Somalia committed to including the Pneumonia Conjugate Vaccine (PCV) among their routine immunisations for children – a move that will help protect millions of children against the most common causes of severe pneumonia.
- Our INSPIRING programme, run in partnership with University College London and University College Hospital in Ibadan, Nigeria, has helped expand access to oxygen therapy in Nigeria's Jigawa state, helping treat both pneumonia and COVID-19. We've trained more than 230 health workers there on pulse oximetry and oxygen therapy, provided critical oxygen equipment to 35 health centres, and equipped the paediatric, A&E and intensive care wards of six hospitals with piped oxygen systems.
- Globally, we trained hundreds of health workers in case management and on raising awareness about pneumonia in their communities, directly reaching hundreds of thousands of parents and caregivers.
- In India, nationwide information campaigns, such as SAANS and Project Vishwaas, reached audiences of millions on the dangers of pneumonia, reducing the likelihood of cases being left untreated.

We also published our *Progress on Childhood Pneumonia 2017–2021* report, where you can learn more about the difference we've made in tackling childhood pneumonia, and the necessary next steps.

** Bangladesh, DRC, Ethiopia, India, Indonesia, Kenya, Nigeria, Somalia and South Sudan*

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HUMANITARIAN LEADERSHIP ACADEMY

In 2015, Save the Children UK set up the Humanitarian Leadership Academy (HLA). It provides quality learning opportunities that enable people to prepare for and respond to crises in their own countries.

The HLA saw a surge in demand for its services in 2021, with the number of humanitarians using its online learning platform, Kaya, rocketing from 281,000 to over 450,000. The HLA's online accreditation platform, HPass, also saw a significant increase in users, jumping from 12,000 to 20,000. The majority of learners come from either disaster-prone or disaster-affected areas.

The HLA offers a range of opportunities – from self-directed online learning to university-accredited diplomas. In 2021, it reached over 36,000 humanitarians with critical learning on humanitarian response – from public health and humanitarian operations to education and child protection.

HLA staff also give humanitarians hands-on support during emergencies. In 2021, they made sure a number of countries, including Myanmar, Afghanistan, Somalia, Eswatini and Sudan, became better able to respond to emergencies. They helped local humanitarians develop the skills to minimise the impact of crises and deal effectively with their aftermath.



PHOTO: LINH PHAM/ SAVE THE CHILDREN

One-week-old Bao Chau looks a picture of health after his bath in Nghia Lo General Hospital, Vietnam. Save the Children helps children like Bao Chau and his mum get access to high-quality maternal and newborn health services.

REPRODUCTIVE, MATERNAL, NEWBORN AND CHILD HEALTH

In a year when the pandemic disrupted health systems globally, we made sure women and children across the world – from Vietnam to Myanmar to Kenya – could access essential reproductive, maternal, newborn and child health services.

In Yemen, we ensured more than 80,000 people – including over 14,000 children under five – could access life-saving government and community health care. In 2021, the programme helped increase the proportion of women giving birth in health centres from 50% to 61%, and receiving post-natal care from 33% to 90%. And it helped double the numbers of mothers breastfeeding their children.

We've also maintained our focus on sexual and reproductive health, providing adolescents with the information and services they need to make informed choices. In Sierra Leone, for example, we delivered contraceptive services and offered family planning counselling to a total of 9,423 people.

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BREAKTHROUGH: LEARN

Global breakthrough: by 2030, all children will learn from a good-quality basic education.

Education is every child's brightest hope of a better future. But this year, COVID-19 cast a dark shadow over that future, creating the greatest global education emergency of our time. 10–16 million children are at risk of never returning to school because of the impact of the pandemic.

12.2 MILLION CHILDREN

reached through our movement's education programmes in 2021

In 2021, we provided teachers with training and tools to support their students' return to school after lockdown. We campaigned across the world – from Yemen to Uganda to Iraq – for a better education for all. And we encouraged world leaders to fight for girls' rights to an education, and to dismantle the obstacles that stand in their way.

In the UK, we joined over a hundred businesses and councils in a 'Summer of Play', so children could enjoy being with their friends again after months of restrictions.

Our projects to support children's learning are designed to form part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations and financed by a range of Save the Children members and donors.



Saidu, 11, at a school in Sierra Leone rebuilt by Save the Children and staffed with teachers we trained.

PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

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SAFE BACK TO SCHOOL

Our Save Our Education campaign called on world leaders to ensure children could make a safe return to school and learning.

Through 100 Days of Action, we worked in partnership with national education coalitions and child campaigners to demonstrate the urgency of the crisis. We published a new flagship report, *Build Forward Better*, which includes an index of the education systems most at risk.

We also provided teachers with tools and training to help their pupils go back to school after lockdown. In the DRC, for example, we trained teachers in the delivery of rapid learning assessments so they could individually tailor their teaching to the level of their returning students. In Uganda, the DRC, Sierra Leone, Mozambique and elsewhere we supported radio and community information campaigns to help get children back in school.

THE VALUE OF EDUCATION

Working closely with other organisations, our joint advocacy contributed to raising more than $4 billion in international financing for the Global Partnership for Education (GPE) between 2021 and 2025, the most ever committed in a day for education. This included a pledge of £430 million from the UK government, which our work with the Send My Friend to School coalition helped to inspire. This is an important step towards reaching the GPE's $5 billion international financing target, which will enable 175 million more children to learn by 2025.

Our advocacy work with partners also saw governments pledge the equivalent of $196 billion in domestic financing for education over the next five years. This is the most important source of finance for education – provided by a country's own government, it shows the value it places on education.

INNOVATING AND ADAPTING

With support from the People's Postcode Lottery Fund, in 2021 we launched an innovative approach to make sure children in Uganda could catch up on an education disrupted by the COVID-19 pandemic. Our Catch-Up Clubs help children acquire the foundational educational, social and emotional skills they need to make a successful return to school.

Catch-up Clubs are designed to be effective in any context where children's formal education has been disrupted through an external shock. We are now looking at innovative financing mechanisms to help us scale this approach quickly. Our vision is for Save the Children to work with partners and support five million children directly through these Catch-Up Clubs across the world over the next five years.



We're making sure children like Saada, 15, in Yemen can keep learning, despite the conflict.

PHOTO: ANNA PANTELIA/SAVE THE CHILDREN

VICTORIES FOR CHILDREN

During 2021, we fought on many fronts in the battle to give every child access to a decent education – and won some great victories for children:

- We worked with the World Bank, the GPE, UNICEF and the World Food Programme to design a crucial education project for children caught up in the crisis in Yemen. The project will provide learning materials and school meals, rebuild school infrastructure and deliver teacher training.
- We continued to advocate for all refugee and internally displaced children to have access to safe, quality and inclusive education with two new reports, *Progress Under Threat* and *Action Towards Quality Education for Internally Displaced Children*. The reports' findings were presented at UN events, including to the high-level panel on internal displacement.
- In partnership with the People's Postcode Lottery Fund, we piloted an innovative Education in Emergencies funding mechanism. It allows national non-government organisations in Iraq to directly apply for funding based on their needs and experience.
- With funding from the GPE, we helped train teachers in 474 schools in Ethiopia on how to make education more inclusive for children with disabilities. These teachers then equipped school communities and parents with the skills and knowledge to improve the inclusion of students with disabilities.

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EVERY GIRL'S CHANCE TO THRIVE

We worked with partners to help secure the G7 Girls' Education Declaration in June – a commitment from world leaders to address the global setback in girls' education caused by COVID-19. It aims to get 40 million more girls into school and 20 million more reading by age 10 in low- and lower-middle incomes countries by 2026.

And our programmes promoted education for girls in some of the toughest countries for them to go to school:

> **"There is no more beating with sticks. Also, both men and women are sitting together. We are listening together and no one is better than the other."**
>
> Secondary-school-aged girl in focus group discussion in Tanganyika, DRC

DRC: A PATH TO SUCCESS

Run in partnership with World Vision, the Institute of Development Studies and our partners FECONDE, AJEDEC and ALPKO,* our UK government-supported REALISE programme aims to make sure girls in the Democratic Republic of Congo (DRC) can get an education and succeed at school. The project:

- provided bursaries for girls, to help them access and remain in school
- launched an accelerated education programme (AEP) to help children who'd missed out on schooling, especially in conflict zones, catch up
- raised awareness about sexual and reproductive health
- improved safeguarding and protection – training teachers and community leaders in child protection, establishing and strengthening case management and referrals, and setting up a free information hotline, which could also be used to report complaints and abuse.

Between 2017 and 2021, REALISE reached over 60,000 girls in 262 primary schools, 205 secondary schools and 16 AEP centres across six provinces in the DRC.

An evaluation found that the project had improved both girls' learning and the value placed on girls' education by their communities. It had also enhanced the quality of teaching in the classroom and in many cases shifted teachers' behaviour away from physical punishments to other forms of discipline.

> **"I saw the changes in learning, our teachers show us how to count things, and they show us how to read everything. They teach us in a way we understand and if you fail they will repeat it several times until you understand."**
>
> Secondary-school-aged girl in focus group discussion in Tanganyika, DRC

EDUCATIONAL SUCCESS FOR AFGHAN GIRLS

As part of a consortium led by the Agha Khan Foundation and funded by the UK government's FCDO, we implemented Steps Towards Afghan Girls Educational Success (STAGES), a project designed to help children – and especially girls – access education and stay in school.

Through community-based education and by supporting government schools, we benefitted 35,618 (25,510 girls and 10,108 boys) across three Afghan provinces between 2017 and 2021.

Thanks to the programme, the percentage of girls reporting that they received support to stay in school and do well increased significantly.

In September, the de-facto authorities announced that secondary schools in Afghanistan would be reopening, but only for boys and male teachers. In response, we called for girls to be allowed to return to secondary school as a matter of urgency, and for richer governments to fund education for all Afghan children.

Despite assurances that girls will be allowed to return to school, the majority of secondary schools for girls remain closed. We won't rest until all girls in Afghanistan are in school and learning.

SMART RADIO

Working in partnership with the Malawi government and with the support of the World Bank, we've been helping unqualified pre-primary teachers and caregivers use interactive radio to promote learning. There's been such high demand for the service that some communities are buying their own radios so they can use it, and many community radio stations have provided valuable free airtime. We targeted seven community radio stations, but now have 19 airing the programmes beyond the areas we anticipated reaching.

** FECONDE: Femme Congolaise pour le Développement. AJEDEC: Association des jeunes pour le développement Communautaire, ALPKO: Association pour la Lutte contre la Pauvreté de Kongolo*

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SUPPORTING CHILDREN AT HOME

A SUMMER OF PLAY IN THE UK

We worked with child-development experts, charities and businesses to create our 'Summer of Play' for children in the UK – a campaign to help reverse the damaging effects of lockdown.

We asked organisations to pledge to create opportunities to let children have fun, meet friends and enjoy freedom during the summer holidays. More than 400 organisations signed up. Businesses donated over 60,000 items such as toys, games and outdoor play and sports equipment to charities running summer activities. And we had more than 20,000 visitors to the Summer of Play website from people looking for advice and tips on fun things to do with their children during the holidays.

EXPLORE, PLAY, LEARN

A child's earliest years can shape the course of their whole life. If they fall behind in their learning and development they might never catch up. That's why, at the start of 2021, we piloted the Explore, Play, Learn programme in Sheffield, in partnership with the NHS and the local authority.

The programme targets children under-two whose language skills have been slow to develop. It helps families support their child's learning at home with tips and techniques, building their confidence and skills. The programme also helps families access the specialist support of a trusted child-development practitioner if and when they need it.

We adapted our support from in-person to online as new lockdown restrictions kicked in. And we gathered valuable feedback from partners and parents on how to improve our approach. These improvements have been made and Explore, Play, Learn is being rolled out across Sheffield.



Cooper, 5, plays with our activity packs during the Summer of Play in the UK. The packs used creative activities to promote children's mental and physical wellbeing.

PHOTO: KATE STANWORTH/SAVE THE CHILDREN

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BREAKTHROUGH: BE PROTECTED

Global breakthrough: by 2030, violence against children will no longer be tolerated.

Right now, nearly 200 million children are living in high-intensity conflict zones.

In 2021, we provided children with psychosocial support to help them recover from the hidden scars of violence, supported children in warzones whose rights had been violated and called on governments to spend more to keep children safe.

When the conflict escalated in Afghanistan in the summer, we supported Afghan refugees arriving in the UK. We offered them specialist mental health care and urged the UK government to deliver a genuinely supportive resettlement scheme.

4.1 MILLION CHILDREN

reached through our movement's child protection programmes in 2021

Our project activities to help children be protected are designed to form part of coherent country programmes, guided by country office-led strategic plans and financed by a range of Save the Children members and donors.



PHOTO: JIM HUYLEBROEK/SAVE THE CHILDREN

Girls at a safe space we've set up for children forced from their homes in Afghanistan. Amid the chaos of conflict, our safe spaces provide children with a sanctuary where they can play, learn and just enjoy being children.

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AFGHANISTAN: SUPPORT FOR ALL REFUGEES



Laila, 12 (centre, with golden shawl), fled her home in Afghanistan when her father was killed. She now lives in a camp where she attends this safe space we've set up there. Now she's begun to hope for better things. "I would like to be educated and become a teacher," she says.

PHOTO: JIM HUYLEBROEK/SAVE THE CHILDREN

The surge in violence in Afghanistan last year saw thousands of people flee the country.

We worked closely with other British charities to provide holistic support for Afghan refugees resettling in the UK – over the long-term, the UK government plans to take in 20,000 people.

We helped partner organisations support families enduring lengthy stays in 'bridging hotels' while they wait to be moved into permanent housing. We have also been working closely with charities and community groups led by Afghan refugees. As well as meeting the immediate needs of those who've arrived in the UK from Afghanistan, we are working together to provide them with long-term support – especially with schooling – so they can thrive here.

We shared resources including a 'psychosocial support toolkit' with people working in local authorities, and provided wellbeing-promoting activity packs for families. These were developed by our colleagues in Afghanistan and made available in English, Dari and Pashto. The activities have themes of 'read and listen', 'play and create', 'emotional control', and 'relaxation techniques'.

We're also campaigning for the government to do more for all Afghanistan's children. More than 18,000 of our supporters signed our petition calling on the Foreign Secretary to make sure Afghan children are protected and have safe passage if they need to leave the country, and to increase humanitarian aid for the families who remain.

TRAINING FRONTLINE PROTECTION WORKERS

Drawing on our experience of working in Afghanistan and supporting refugees across the world, we've also developed a training session for people working directly with Afghan asylum seekers or refugees.

The workshop covers what staff need to know to provide support for Afghan families, including:

- a brief guide to Afghan culture and history
- information on the complex needs of refugee families
- guidance on providing mental health and psychosocial care.

Through the workshop, we've directly trained over 100 frontline workers. Our workshop resources have been shared as examples of good practice with local authorities and other partner organisations in England by the Department for Education.

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PROTECTING CHILDREN IN CONFLICT



PHOTO: SAVE THE CHILDREN

Samah*, 12, and her family were forced from their home by the war in Syria. They now live in a camp for displaced people.

Amid the chaos of violence and war, children are likely to be the targets of abuse and their rights become easy to violate. They are killed, maimed and abducted. They're forced to fight and are subjected to sexual violence. Their schools and hospitals are attacked. They're cut off from food and medical care.

In 2020, the UN reported 26,425 of these "grave violations" by parties to conflict – an increase of around 1,500 on the previous year. The highest number of violations – comprising almost a third of the total – were for the recruitment and use of children by armed forces or armed groups.

MYANMAR

Following the military coup in Myanmar, there has been a disturbing rise in violence against children. While some figures suggest around 100 children have been killed by the military's actions, we believe this to be the tip of the iceberg. There are reports of children being killed, injured or forced from their homes by airstrikes and military offensives. At the same time, there are 5 million children in need of humanitarian assistance.

In response, we've scaled up our programme work in Myanmar, focusing on food security, child protection, healthcare, nutrition and education. We've also called on UN Security Council member states, governments across Europe and Asia, and key UN institutions to prioritise protecting children in Myanmar and holding those committing grave violations to account.

Tragically, on 24 December, two Save the Children staff members were killed in an appalling attack by the military while working as part of an education project in Kayah State.

We continue to push the UK government to hold the military regime in Myanmar to account.

Occupied Palestinian territories: In one of the world's longest-running crises, we provided crucial mental health care to help children cope with their trauma. We also delivered early education programmes for children at risk of dropping out of school. At the same time, our cash-for-work programmes made sure thousands of families could earn a steady income. For more information on how we provide families with cash in humanitarian emergences see page 25.

Syria: As violence continued to rage in Syria in 2021, we provided life-saving food, health services, psychological support, education and protection to thousands of children.

We also continued to work with partners to call on the UK government to repatriate the British children still stranded in desolate camps and other detention settings in north-east Syria. We submitted evidence to the All-Party Parliamentary Group (APPG) on children's lack of access to education and health services, their exposure to violence and disease, family separation and the risk of detention. The APPG then cited this evidence in their report on *Trafficked Britons in Syria*.

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RETHINKING OUR RESPONSE

We assessed our programmes and adapted them to help better protect at-risk children and support those whose rights had been violated. In key conflict-affected countries,* we:

- provided case management support to 120,752 children who are vulnerable to or who have experienced grave violations such as recruitment and use by armed forces, sexual violence, or other forms of abuse, neglect and exploitation
- provided age- and gender-appropriate mental health and psychosocial support services to 378,248 conflict-affected children.

For example, in Colombia, we assessed how the COVID-19 pandemic and school closures had contributed to putting children at greater risk of being recruited into armed groups. We are using our findings to advocate for changes to national and provincial policies to support children who are vulnerable to recruitment or who have been recruited. And in Mozambique, we completed an assessment which shed greater light on the horrific experiences of children who've fled the insurgency in the north of the country. This allowed us to advocate for more systematic monitoring, reporting and responding to grave child rights violations.

In 2021, we launched our internal Centrality of Protection policy. It commits us to strengthening our ability to systematically monitor, report and respond to violations of children's rights in conflict. The policy will make us more accountable to children – and make it easier for them to speak out and report violations.

STOP THE WAR ON CHILDREN

Our 2021 *Stop the War on Children* report highlighted the troubling rise in child-rights violations, focusing on the recruitment and use of children by armed forces or armed groups. The report highlights the actions needed to prevent recruitment and other violations. It calls for increased child-protection funding. And it urges governments to endorse and implement key international laws and standards, such as the Paris Principles and the Safe Schools Declaration, which aim to protect and support conflict-affected children.

The voices of children caught up in conflict powerfully amplified our advocacy. In one memorable example, during a ministerial roundtable, an Afghan girl recited her poem about the bombing of a school. MP James Cleverly later referenced her words at the United Nations. We also gathered UK children's drawings and messages of solidarity with Afghan children, and delivered them to the Foreign Secretary ahead of a G7 meeting in December.

Our Protecting Children in Conflict Lead, Veronique Aubert, was recognised for her efforts by being awarded an OBE in 2021. She was also appointed as a Special Adviser to the International Criminal Court on Crimes Against and Affecting Children.



Jean*, 17, says he was made to steal, kidnap and kill after being captured by an armed group in the DRC. He was rescued by one of our partner organisations, and now we're helping him reintegrate into his community, train as a hairdresser and start a new life.

PHOTO: HUGH KINSELLA CUNNINGHAM/ SAVE THE CHILDREN

** These countries include Burkina Faso, Colombia, Mali, Nigeria, Niger, DRC, Somalia, Sudan, South Sudan, Mozambique, Yemen, Ukraine, Iraq, Syria, Afghanistan, the Philippines, the occupied Palestinian territories and Myanmar.*

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SAFEGUARDING CHILDREN AROUND THE WORLD

COACHING FOR LIFE

In another example of our work to support refugees around the world, we co-created the groundbreaking 'Coaching for Life' programme with the Arsenal Foundation.

The programme uses football coaching to nurture the resilience and mental health of children aged 10 to 18 living in Za'atari refugee camp in Jordan.

Coaching for Life has now reached 2,729 children in Jordan – including an equal mix of girls and boys.

An evaluation of the programme in the first half of 2021 by experts in child mental health found clear evidence that the participants' social and physical wellbeing, interpersonal skills and resilience had improved. Many had also established closer relationships with their family.

TACKLING TRAFFICKING

In 2021, we worked with Save the Children in Sri Lanka and the International Organisation for Migration to turn the tide of child trafficking in the country. Together, we developed a training programme to help government workers and civil society groups identify children who have been trafficked – and 351 officials took the course.

Working closely with the National Child Protection Authority and the Ministry of Women and Child Development, we developed guidance for the police on how to interview children and how to reintegrate them back into their own communities.

The Sri Lankan government has now welcomed and formally endorsed our support to strengthen the national response to human trafficking.

GIRLS IN THE DRIVING SEAT

We continued to tackle violence against women and girls in Jordan and Uganda, through our Girls as Drivers for Change project in partnership with the World Association of Girl Guides and Girl Scouts.

The project aimed to help girls improve their emotional awareness, resilience and confidence, equipping them to become leaders, implement girl-led community initiatives and take collective action to address gender-based violence. It reached 2,400 girls between January 2019 and June 2021.

After participating in the programme, girls became active advocates of gender equality and less accepting of gender-based violence. In particular, by the end of the project more girls felt, as one put it, that: "The girls in my community have a voice to speak out about problems affecting them."

PHOTO: SAVE THE CHILDREN



Polaroids taken by Syrian refugees living in Za'atari refugee camp, Jordan, as part of our 'Coaching for Life' programme with the Arsenal Foundation. The programme inspired 16-year-old Mariyan* to take the photo of her teammates' hands – showing how she feels to be part of a team. She says Coaching for Life has taught her: "Tolerance, love, helping others, self-confidence, courage and spreading good."

Mariyan* is a teenager of many talents. "I have hobbies that I like to share with others," she says. "Writing novels, poetry, thoughts, stories, rap, drawing anime [Japanese cartoons] and designing movements on songs [choreography]."

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She may be just eight, but in the words of her mum "my girl Monica is a child with the mind of a big person – she helps me a lot." That might be the product of what she's been through. As their homeland Venezuela faced economic meltdown, Monica and her family fled to Colombia. We're helping them get food, clothes and medicine.

PHOTO: NADÈGE MAZARS/ SAVE THE CHILDREN

CHILDREN IN NEED OF CARE

In 2021, the UN Committee on the Rights of the Child held a discussion on the unnecessary separation of children from their families, and on better ways to respond to separation in cases where it is unavoidable.

The Save the Children movement co-led the task group helping to shape the agenda. We supported a child and young people's advisory committee who contributed to the agenda, carried out a children's survey on the issue, and identified child speakers for each of the sessions.

In September, an unprecedented 1,500 people from over 125 countries attended the discussion remotely. Approximately 200 written and video submissions were made, and 1,000 children participated in the survey.

We made sure that children, young people who've experienced care, and childcare practitioners could explain why this is a crucial topic and present their recommendations for change. The Committee will now make recommendations to UN member states on how to improve the quality of care for children.

> **"I just hope in the next 20 years we will look back to 2021 and see how much change we have made and how much progress. I just hope for the future that change will be made, and we make great progress and strides when it comes to accountability and justice."**
>
> Munashe, a child from Canada who we enabled to speak at the discussion.

PREVENTING CHILD MARRIAGE

We campaigned hard against child marriage, partnering with girl advocates like the members of Mexico's RedPaz, an adolescent network that fights for children's rights and gender equality. Together with feminist movements from around the world, we secured a target to prevent 9 million child marriages by 2026 – a target informed by our data analysis. Our advocacy contributed to the creation of designated spaces in the Generation Equality Youth Taskforce being held for girls aged 10–19 who are often excluded, helping ensure their age-specific needs are met.

In 2020 and 2021, pressure from public campaigns such as those led by the Save the Children movement contributed to bringing about changes in the law, prohibiting child marriage in the Dominican Republic, the Philippines and Katsina state in Nigeria.

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CHILD POVERTY

Globally, 356 million children are living in extreme poverty, struggling to survive on less than $1.90 a day. Approximately 1.2 billion children are 'multi-dimensionally poor' – which means they don't have access to basic necessities such as housing, nutrition or clean water. The pandemic has pushed a further 150 million children into multi-dimensional poverty.

In 2021, we supported children living in extreme poverty by campaigning for extra financial support from governments, boosting the use of cash transfers in humanitarian emergencies and helping to expand access to child-sensitive social protection.

3.7 MILLION CHILDREN

reached through our movement's child poverty programmes in 2021

KEEP THE LIFELINE

At the start of the COVID-19 pandemic, to help UK families cope with the financial fall-out of the crisis, the UK government increased Universal Credit social security payments by £20 a week.

It was intended as a temporary measure, but we fought hard to prevent the government cutting this vital extra support. We joined forces with anti-poverty charities and five former Conservative Secretaries of State for Work and Pensions to campaign to 'Keep the Lifeline'.

As part of the push, we enabled members of our Parent Campaigners Network, who would be directly affected by the cut, to speak in parliament, on the BBC's *Newsnight* programme and in national newspapers such as the *Sun*. They were highly influential in building support for the campaign.

The UK government went ahead with its planned £20 cut in October, the biggest single reduction in social security



PHOTO: JORDAN WOODGATE/SAVE THE CHILDREN

Rebecca is a single working mum and part of our 'Keep the Lifeline' campaign. While unfortunately the government went ahead with its cut to Universal Credit of £20, she and her fellow campaigners helped make sure the cut was postponed for six months and won increases to other elements of Universal Credit worth £3 billion per year.

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CHILDREN SPEAK OUT

In 2021, we worked to put child-sensitive social protection on the agenda of governments and donors across the globe. We also made sure that the needs of children and children's voices informed high-level political discussions.

Together with UNICEF and government partners, we enabled children to speak directly with policymakers at side events on social protection at three Regional Forums – in Asia and the Pacific; Latin America and the Caribbean; and Africa.

in more than 70 years. But our campaign helped secure a six-month extension, a package of support and increases to other elements of Universal Credit worth £3 billion per year.

We were also part of a campaign that helped persuade the Scottish government to double the value of the Scottish Child Payment. That decision put £20 a week per child into the pockets of low-income families in Scotland.

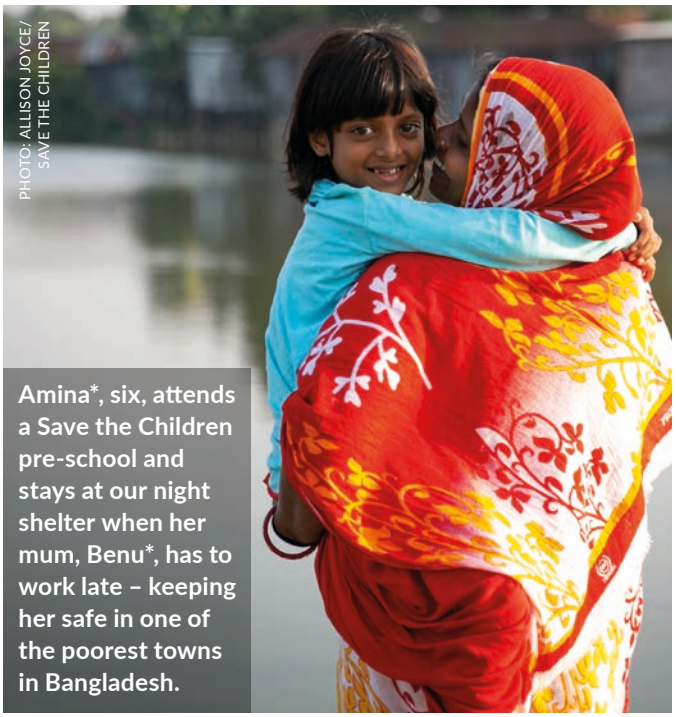


PHOTO: ALLISON JOYCE/ SAVE THE CHILDREN

Amina*, six, attends a Save the Children pre-school and stays at our night shelter when her mum, Benu*, has to work late – keeping her safe in one of the poorest towns in Bangladesh.

STEPPING IN WITH A SAFETY NET

As the COVID-19 pandemic sparked the biggest setback in human development in 20 years, we worked with partners, communities and children across the world to expand access to critical government-led social welfare programmes, such as child and family benefits – also known as 'social protection'.

Our programmes in Nigeria, Malawi, Somalia and Bangladesh aimed to provide a safety net for families facing the worst extremes of poverty – and to build an evidence base of what works, which governments could follow.

In Yobe state, Nigeria, for example, which has some of the country's worst rates of malnutrition, we worked with the government to help it deliver social protection to its people. We are implementing the project with funding from the European Union, in collaboration with International Alert and two community-based partners, along with vital input from community organisations.

MAKING CASH GO FURTHER

In 2020 and 2021, in partnership with UNICEF and other international partners, we trained 67 humanitarian workers from 43 organisations on how to use market-based programming, including cash transfers and vouchers, to improve families' access to water, sanitation and hygiene (WASH). Among the trainees were experts in WASH and cash and vouchers from 13 countries, including Cameroon, Syria, Colombia, Guyana, Honduras, Nicaragua, Panama, Venezuela, Kenya, Nigeria, Somalia, Iraq and Yemen.

As a crucial part of the programme, we're providing mums with monthly cash payments to prevent malnutrition in their infants. We're also giving them important information on health and infant nutrition. By the end of 2021, we'd reached over 9,600 households with this critical support.

With funding from the European Union, we kicked off a similar pilot programme in Somalia, reaching 5,831 mothers with $20 a month in cash payments, as well as with health and nutrition information.

'CASH PLUS'

In 2021, we trained staff in 27 of our country offices in our evidence-based 'Resourcing Families for Better Nutrition' approach, which focuses on using cash transfers and vouchers to reduce stunting. And we helped fund, design and implement 'Cash Plus' cash transfer programmes in three countries at high risk of famine: Afghanistan, Yemen and South Sudan.

These Cash Plus programmes combine cash transfers with work on nutrition, water, sanitation and hygiene to improve mothers' and infants' health. Unfortunately, the programme in Afghanistan was briefly suspended at the height of the recent conflict, but has now resumed. The projects in Yemen and South Sudan are delivering Cash Plus assistance to 2,150 and 2,600 families respectively.

We gathered evidence on families' experience with the Cash Plus programmes, using monitoring and evaluation tools we've translated into English, Arabic and French, and shared digitally. This evidence will help make the case for future Cash Plus programmes in emergencies, and improve the way they work.

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THE CLIMATE AND ENVIRONMENTAL EMERGENCY



PHOTO: DAILY MIRROR/COLIN LEAFASIA/ SAVE THE CHILDREN

Rising sea levels threaten to submerge 15-year-old Diana's home in the Solomon Islands, which is just 16 metres from the shore. "This year... during May and June... the sea rose much higher than normal and flooded my home, our small vegetable garden, and our fruit trees," she says. "Now my family is worried. We have nowhere to go."

The climate crisis is fundamentally and irreparably reshaping our world, with grave implications for the rights of current and future generations of children. Its impacts are already being felt by the most affected children and areas. One billion children live in countries at extreme risk from climate change.

> **"We, younger generations, will be crucial to stir the rest of the world to complete the vital task of saving our planet. We need to make children an essential part of the solution."**
>
> Arunima, 14, Save the Children UK Youth Advisory Board member

Climatic and extreme weather events are more frequent and variable – in 2020, they drove almost 16 million people in 15 countries into **food crises**. And food crises in turn fuel violence against and exploitation of women and children.

Climate disasters and environmental threats are already disrupting families' livelihoods and children's schooling, exposing them to deeper poverty and danger; they mean 37 million children are missing out on education, with girls disproportionately affected. Climate change exacerbates existing conflicts and is likely to create new ones, putting children at greater risk of violence, sexual abuse, child marriage, child labour, missing out on school and being separated from their families.

Up to 216 million people may have to move within their own countries by 2050 due to the climate crisis.

Without drastic action, children in the most-affected areas – especially girls, indigenous children, and children with disabilities – will inherit a catastrophe not of their own making.

That's why the climate crisis is central to our 2022–24 strategy to deliver the greatest impact for children. We are responding through our programmes, humanitarian work, advocacy, campaigns and research, and by reducing our own impact on the environment.

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WHY WE MUST STAY BELOW A 1.5°C RISE

Children's access to a quality education, a healthy life and a safe environment are being rapidly curtailed by exposure to more prevalent and severe wildfires, crop failures, droughts, floods and heatwaves.

In 2021, we partnered with leading climate researchers led by Vrije Universiteit Brussel to look at how children will experience extreme weather events related to climate change. The resulting report, *Born Into the Climate Crisis*, shows that keeping global temperature rises below 1.5°C could make a huge difference to children's futures. It would reduce the additional lifetime exposure of children born in 2020 to heatwaves by 45%, droughts by 39%, river floods by 38%, crop failures by 28%, and wildfires by 10%. This, in turn, would allow more children to get the food, education and healthcare they need to thrive. So change is possible – but we must act now. Our report outlines the changes global leaders need to make.

We also joined forces with the *Daily Mirror* to give children a chance to report on the impacts of the climate crisis on their lives. The newspaper ran a series of articles by children from the Solomon Islands, Nigeria and Nepal, describing how siblings had died in floods and storms, and calling on the UK government to secure radical action at the UN climate conference in Glasgow.

EARLY RESPONSE AND RESILIENCE

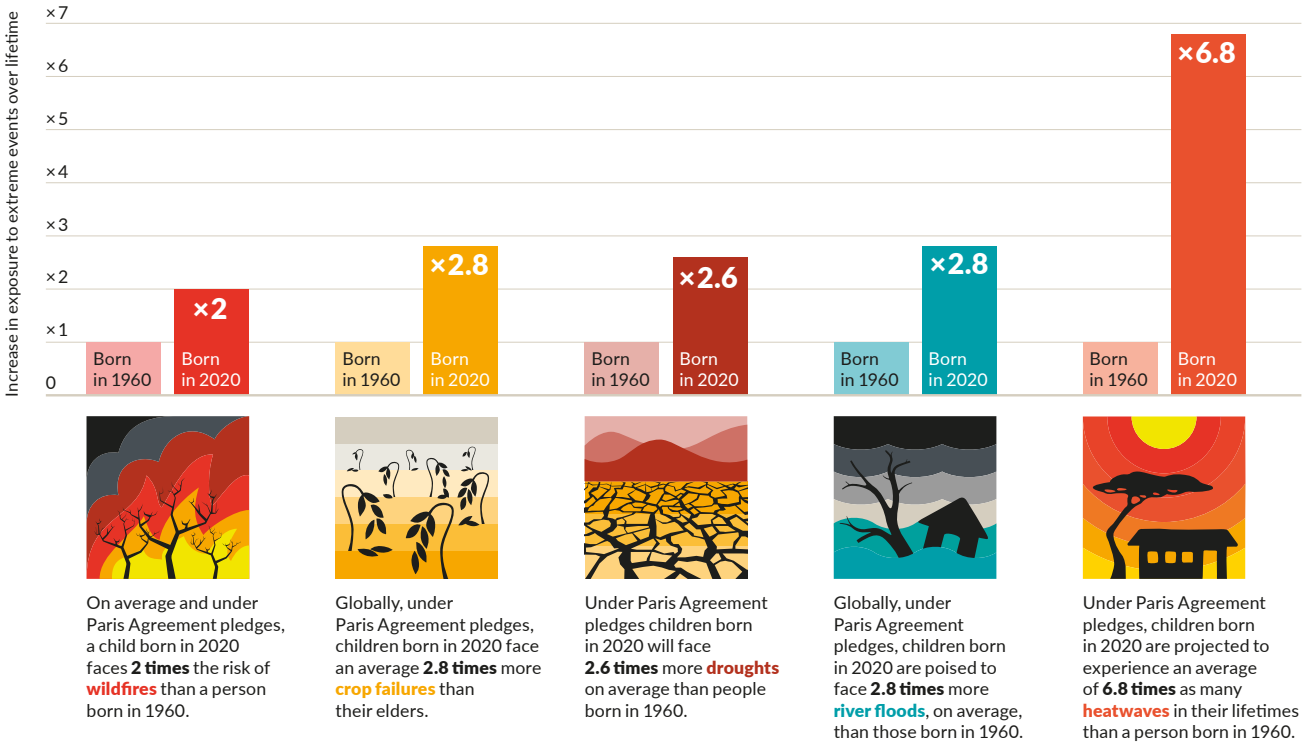
The Save the Children movement has been responding to the impact of climate-related crises for years. Our programmes have provided water to communities battling drought, distributed cash transfers to families whose livelihoods have been devastated by extreme weather, and set up early-warning systems to predict when disasters might hit.

Here are just some of the ways we fought the climate crisis in 2021:

- In September – alongside our partners Community Jameel, the University of Edinburgh, the International Livestock Research Institute, and the Abdul Latif Jameel Poverty Action Lab – we launched the Jameel Observatory for Food Security Early Action. The observatory will help tackle the growing threat to people in the world's drylands of the increasing severity and frequency of climate-related disasters. Using cutting-edge technology and data surveillance, early warning signs of severe weather will help farmers develop and apply tools to shape their own food production.

> **"It is very hard to learn when the sun is hot."**
>
> Mohamed, 14, and Shukri, 14, Somalia

Lifetime exposure to extreme events under Paris Agreement pledges for children born in 2020 compared to that of a person born in 1960.



On average and under Paris Agreement pledges, a child born in 2020 faces **2 times** the risk of **wildfires** than a person born in 1960.

Globally, under Paris Agreement pledges, children born in 2020 face an average **2.8 times** more **crop failures** than their elders.

Under Paris Agreement pledges children born in 2020 will face **2.6 times** more **droughts** on average than people born in 1960.

Globally, under Paris Agreement pledges, children born in 2020 are poised to face **2.8 times** more **river floods**, on average, than those born in 1960.

Under Paris Agreement pledges, children born in 2020 are projected to experience an average of **6.8 times** as many **heatwaves** in their lifetimes than a person born in 1960.

From Save the Children's report, Born Into the Climate Crisis, published in 2021.

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Hasan* stands in his drought-hit farm in Iraq – just one of the millions of people around the world whose lives are being affected by climate change.

PHOTO: HAWRE KHALID/SAVE THE CHILDREN

- In December 2021, our long-standing partner GSK provided a £1 million grant for our Emergency Health Unit and Anticipatory Action project. This will strengthen our ability to respond early to climate-related emergencies, reducing the impact on the health of children and communities.
- Save the Children UK, working with government ministries and other international, national and local partners, is coordinating the design of several Green Climate Fund (GCF) projects in Somalia, Malawi, Ethiopia and Sierra Leone. For instance, in Somalia – a country on the frontline of climate change – we're designing an ambitious climate-resilience project, focusing on community-based adaptation, livelihoods, skills training, natural resource management and nutrition. We want to ensure that children are front and centre of the design of climate change adaptation projects. In 2021, new and existing partners, notably GSK, the IKEA Foundation, and American Express, committed to providing substantial funding to support the design of these projects.
- It is vital the humanitarian sector adapts to the threat of the climate crisis. In October, in partnership with the Disasters Emergency Committee, UK-MED and the Humanitarian and Conflict Response Institute, we launched our collaborative *Sounding the Siren* report. It examines the aid system and advises on how it can prepare for and respond to looming climate-related crises.

> **"Please listen to us and give additional importance to our voice. We promise you to become part of the solution."**
>
> Diya, 16, Bangladesh

HOLDING LEADERS TO ACCOUNT

The Save the Children movement can play a unique role in helping children hold governments to account on their climate change commitments, and in encouraging leaders to act in children's best interests. We are pushing politicians and the private sector to:

- take ambitious and urgent action to limit warming to a maximum of 1.5°C
- increase their financial commitments to help the most-affected areas mitigate and adapt to the impacts of the climate crisis
- recognise children as equal stakeholders and key agents of change, including by establishing child-friendly mechanisms and platforms to facilitate their formal engagement in climate policy-making
- scale up social protection systems to address the impacts of climate shocks on children and their families.

Children's increasing exposure to extreme weather events has serious implications for their access to quality education. Save the Children UK's 2021 *Build Forward Better* briefing paper sets out how leaders can protect children's learning. It also explores the role that education can play in equipping the next generation to protect themselves against climate change's worse impacts.

In the run up to November's COP26 in Glasgow, including at the Youth COP in Italy, youth campaigners, Save the Children and other activists fought to make sure world leaders put children's rights front and centre of the summit's climate commitments. We attended COP26 to engage with children and understand their perspective, and to influence the final declaration so that it emphasised children's rights and participation. While the summit demonstrated that world leaders are not doing enough to protect children from the crisis, it was encouraging to see a mention of children's rights and intergenerational equality in the final text of the Glasgow Climate Pact.

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REDUCING OUR ENVIRONMENTAL IMPACT

TARGET: HALVE OUR DIRECT CARBON EMISSIONS BY 2024

In 2021, the global Save the Children movement committed to reducing our direct carbon emissions by 50% by the end of 2030, against a 2019 baseline. As Save the Children UK, most of our direct carbon emissions come from international travel. We cut our travel radically during the pandemic and plan to continue limiting it whenever possible. On this basis, Save the Children UK has committed to halve our direct carbon emissions by 2024, against our 2019 baseline.

We're supporting the wider movement in the development and roll-out of an organisation-wide Environmental Management System. It will ensure all new projects are assessed to mitigate their negative environmental impacts. In 2021 we launched a new Environmental Sustainability and Climate Change Policy, which will be reviewed in 2022. At Save the Children UK, we are also leading the review of our movement-wide Donation Acceptance Policy to make sure that those partners we accept funding from meet high environmental standards.

ENERGY AND EMISSIONS REPORTING

Save the Children UK has measured the carbon emissions of our UK operations since 2011. Our energy and greenhouse gas emissions are set out below.*

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.



PHOTO: SARA GALVAO/ SAVE THE CHILDREN

Save the Children staff take part in a Global Day of Action on climate change in London.

In our London headquarters, we reduced our energy consumption in 2021 by further increasing the number of LED lights and automated light sensors, and reducing the energy used by our heating, ventilation and air-conditioning systems. All our cleaning products are environmentally friendly and all hand soap free of palm oil. We're replicating these standards across our regional offices.

The table below outlines our direct environmental impact as part of the Streamlined Energy and Carbon Reporting (SECR). Save the Children UK goes further than this by separately calculating emissions produced by our travel. A more comprehensive look into our impact on the environment in 2021 will be available on our website in 2022. This will include a progress update on our emissions reductions against the 2019 baseline. Our SECR data has been developed with the generous support of Purchase Direct.

	1 January–31 December 2021	1 January–31 December 2020
Total energy consumption – used for emissions calculation (kWh)	**2,905,537**	2,423,728
Combustion emissions, scope 1 (tCO_2e)**	**159**	87
Purchased electricity emissions, scope 2 (tCO_2e)	**270**	384
Vehicle fuel combustion emissions, scope 1 (tCO_2e)	**27**	25
Vehicle fuel combustion emissions, scope 3 (tCO_2e)	**57**	4
Total gross reported emissions (tCO_2e)	**513**	500
Staff	**877**	913
Intensity ratio: staff (tCO_2e/staff member)	**0.58**	0.55

** Pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.*

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2021 conversion factors. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

*** The above figures are measured in metric tonnes of carbon dioxide equivalent. This is a standard unit for measuring carbon footprints which helps to express the impact of greenhouse gases in terms of the amount of CO2 that would create the same amount of warming.*

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WORKING IN PARTNERSHIP

Working in partnership exponentially increases our impact for children.

Our partners include local organisations and communities, volunteers and the public, social movements and civil society groups, governments and international institutions, private sector organisations, foundations and philanthropists, artists and ambassadors and, above all, children and families.

Their support underpins the scale and impact of our programmes. It adds to our knowledge, skills and expertise. It gives us the opportunity to innovate. It amplifies children's voices and influence.

As children faced the triple threat of COVID-19, conflict and climate change in 2021, our partnerships were more important than ever before. And we started to explore new ways to collaborate – through multistakeholder partnerships, start-up incubation and innovative finance models.

Here are some standout examples from 2021.

YOUTH ADVISORY BOARD

At the beginning of 2021, 18 young people aged 12–18 from across the UK joined our first Youth Advisory Board. The Board works closely with staff to help shape projects across our campaigning, fundraising, media and brand work in the UK. Their goal is to ensure we amplify young voices and stay true to holding children's rights at the heart of everything we do.

Throughout the year, the Board were involved in a number of different projects: feeding into Save the Children International's global campaign planning, interviewing our new Chief Executive as part of the recruitment process and working on a YouTube project to create a series of videos exploring complex topics, including climate change, for a young audience.

The Board has brought ideas, passion and determination, and we're excited about more young people joining it in 2022. We are currently in the process of recruiting a second-year cohort.

CORPORATE PARTNERS AND FOUNDATIONS

Once again in 2021, our business partners supported our programmes, shared their expertise and stood with us to make sure children's voices are heard.

- Our now ten-year partnership with GSK continued providing life-saving healthcare services to children, helping us to take preventative or early action and enhancing the ability of our Emergency Health Unit to respond to climate-related crises. With the Green Climate Fund, the partnership will be supporting the design of climate-resilient health systems and communities in Senegal and Malawi.
- We worked with Unilever and the FCDO to tackle COVID-19, reaching over 297 million people in nine countries with information on preventing its spread.
- In partnership with Unilever, Symrise and Deutsche Gesellschaft für Internationale Zusammenarbeit, we're supporting vanilla farmers and their families in Madagascar.
- We continue to advocate for the power of play in children's development through our partnership with LEGO Group and LEGO Foundation.
- Bulgari supported our Early Learning Communities programme to improve children's literacy, numeracy and emotional development, reaching more than 1,400 children.
- The Morgan Stanley International Foundation backed our Boosting Parenting Power programme in the UK, and Morgan Stanley & Co. International Plc supported our COVID-19 response.
- Our new partnership with Norton Rose Fulbright LLP aims to help 4,500 children across 36 communities in Myanmar catch up with the learning they lost because of COVID-19.
- With Prudence Foundation and the Philippines Department of Education, we've enabled thousands of schools in the Philippines to assess the impact of natural disasters. Prudential Plc has continued to provide vital support to the Emergency Fund.
- The Bill & Melinda Gates Foundation continued to back our movement-wide child survival advocacy strategy with a further $12.75 million spread over four years, including $3.42 million in 2021. The funding helped us make the case for aid as a vital element of government support for the most children.

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- We raised more than £2 million from the Children's Investment Fund Foundation, the Wellcome Trust, the Bill & Melinda Gates Foundation and the Open Society Foundations, to help us and our partners advocate for aid, call for a green recovery ahead of the G7 summit and COP, and found Crack the Crises.

We are grateful for the continued support of many other partners including Arsenal, AXA XL, Castle Water, Clifford Chance, Discovery, Entertainment One and Peppa Pig, Hikma Pharmaceuticals, IHS Towers, Kingsmill, Pearson, QBE European Operations, Revolut, Virgin Atlantic, VolkerFitzpatrick, Twinings and wilko.

PHILANTHROPISTS

Philanthropists and charitable trusts generously shared their time, expertise and connections so that together we could achieve more for children.

We give special mention to H.E. Sheikh Thani Bin Abdullah Al-Thani and the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund; Community Jameel; the Olayan Foundation; the Shefa Fund; the Abdulla Al Ghurair Foundation for Education; Her Highness Sheikha Jawaher bint Mohammed Al Qassimi with NAMA Women's Advancement Establishment; The Big Heart Foundation; People's Postcode Lottery; the Moondance Foundation; the Stavros Niarchos Foundation; the National Lottery Community Fund; the Latin American Children's Trust; the American Express Foundation; the Feltham Funding Circle; the Malala Fund; Natasha Kaplinsky OBE; Michael Edwards OBE; Richard Glick OBE; and Graham and Susan Tobbell.

For their generosity and commitment, we thank our fundraising boards, including the Africa Advisory Board, the Global Malnutrition Initiative Board, the Women's Network and the UK Appeal Board. Thanks also to our gala committees for their continued support during this time. Special thanks to the Winter Gala Committee, International Arbitration Charity Ball Committee, The IFR Awards, Sean Jones and David Burgess for leading the Billable Hour campaign, and Robert Diament and Carl Freedman from Counter Editions.

We are very grateful to our Vice-Presidents for their unstinting support and fundraising: Sophie McCormick, Charlotte Ransom, Andrew Sibbald, Michael Edwards OBE, Gordon Campbell-Gray, Keith Mullin, Michael Ridley, Graham and Susan Tobbell, Erland and Rose Marie Karlsson, Ann and Bart Becht, Amanda Richards, Dora Loewenstein, Asa and Martin Hintze, John Reynolds, Peter Mallinson, Robert Glick and Femi Otedola.

GOVERNMENT AND MULTILATERAL PARTNERS

Our partnerships support all our work for children. Last year they generated £132 million for our life-changing programmes. For example:

- Irish Aid pledged €1.5 million for the second year of our programme to help women and girls in Ethiopia's lowlands. With the country's Ministry of Women and Social Affairs, the National Alliance to End Female Genital Mutilation and Child Marriage, and Islamic scholars, we worked to protect women and girls from gender-based violence and abuse.
- The UK government's FCDO provided another three years of funding to support our work with the Nigerian government to strengthen and expand social protection for children in Nigeria.
- We worked with the Global Partnership for Education (GPE) and the World Bank to provide books, teaching materials and teacher training in Sierra Leone and Yemen, benefiting around 187,000 children. While Education Cannot Wait and UNICEF supported our emergency education work in Tigray, Ethiopia.
- We partnered with the government of Zimbabwe on a $2.34 million GPE programme, which – in the schools we supported – helped increase enrolment rates by 9% and attendance rates by 7%, and reduce drop-out rates to just 0.5%.
- Our SWAN consortium with World Vision, Action Against Hunger and the Norwegian Red Cross, supported by UNOCHA and Irish Aid, has seen us make 125 rapid responses to reach 5.7 million people with healthcare, protection, water, sanitation and hygiene services since 2019, including 1,926,130 people in 2021.
- We worked with the Welsh government, Newport City Council, local primary schools, parents, health visitors, police, young offenders' groups and housing associations to help children in the Bettws area of Newport succeed at school.
- Through our partnership with Power of Nutrition, we provided cash transfers to 9,500 pregnant women and caregivers with children under three in Malawi to help reduce malnutrition and boost childhood development.
- We signed an agreement with global vaccines alliance Gavi to work together to maintain recent health and immunisation progress, address vaccine hesitancy and support country-level planning to reach zero-dose children and marginalised communities.
- Our Humanitarian Leadership Academy embarked on a five-year partnership with the Islamic Development Bank which will support hundreds of civil society organisations to provide refugees with education, and hard-to-reach communities with income opportunities.

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LOCAL PARTNERS

Most of our work across the globe would not be possible without our local partners. These include national and local non-governmental organisations, informal community-based organisations and local governing authorities. Their local knowledge, skills and connections make them a crucial part of our efforts to deliver lasting change for children. They make sure our work is led by children and their communities. For example:

- The Humanitarian Leadership Academy (HLA) developed a programme to train Save the Children Sudan staff, officials from the Sudanese government and local partners in the basics of humanitarian action. This is part of our work to give local organisations the skills they need to respond to the crises they face. It is our ambition to pursue similar partnerships in the Middle East and Eastern Europe. For more information on the HLA see page 13.
- The Start Network is working towards a decentralised model of national and regional hubs. Hubs will manage their own funds, and local and national NGOs will have direct access to funds. The first programme demonstrating this way of working is the Start Fund Bangladesh, which aims to put more support and funding in the hands of national and local responders.

PUBLIC SUPPORT

Our work is only possible thanks to our incredible supporters. In 2021 they organised events, took on fundraising challenges and donned magical Christmas jumpers. More than 4 million people participated in our tenth Christmas Jumper Day, raising over £2 million.

The public generously supported our Emergency Fund in response to crises in India, Gaza, Haiti and Afghanistan, raising £1.9 million so we could rapidly reach the children who needed us most. The public continued to support appeals for Syria and Yemen, raising over £1 million.

Our campaigns, too, are powered by the UK public. Campaign Champions lobbied MPs to stop devastating cuts to the UK aid budget. Before the G7 in Cornwall, retail shops, local branches and supporters united in a Wave of Hope – calling for action on COVID-19, climate change and inequality. Throughout 2021 we supported people facing cuts to their Universal Credit payments – helping them call on the government to 'Keep the Lifeline'. After the escalation in violence in August, we mobilised supporters to stand with the children of Afghanistan – and over 18,000 took action.

LEGACIES

In 2021, 887 amazing supporters left us gifts in their wills worth over £19.3 million – incredibly generous contributions that will help children build a brighter future. One of these kind legacies came from someone who established a Save the Children UK volunteer branch and was fondly remembered for making 200lb of marmalade every year to raise money! Another incredible gift was from a lawyer at the Probate Registry. As someone familiar with wills, we're so proud she chose to leave a transformational gift to Save the Children in her own.

VOLUNTEERS

We are hugely grateful to our approximately 4,000 dedicated volunteers. Their support in 2021 – including as community fundraisers, shop volunteers, campaign champions and speakers – was superb. Our shop volunteers contributed more than 100,000 hours of their time and our community branch fundraisers raised more than £450,000.

Thanks to the commitment and hard work of our staff and volunteers, we were able to reopen 112 of our shops – with extra safety measures in place – when COVID-19 restrictions were lifted across the UK.

We are extremely grateful to all our customers and donors for their continued support.

OUR PATRON

Over the last five decades, The Princess Royal has devoted time to visit Save the Children's programmes, meeting with children and their families, as well as colleagues. In the UK, she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation she continues to be a powerful advocate of our work. We are honoured to have The Princess Royal as our Patron and are ever thankful for her unwavering support.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

High-profile supporters such as Luke Evans and Will Poulter helped us raise awareness about the need to protect children in emergencies in Gaza and Afghanistan, and from the impact of COVID-19.

Kate Moss launched an exclusive line of clothing to raise money for us in 2021, and famous friends helped promote the collection, including Poppy Delevingne, Jaime Winstone and Vicky McClure.

David Tennant narrated a children's book, *The World Made a Rainbow*, from Bloomsbury Publishing, raising over £40,000.

We were proud to host Ambassador and Global Malnutrition Initiative patron Sir Mo Farah on a virtual visit with our Chief Executive Gwen Hines to see the impact of our malnutrition programme in Somalia and engage more deeply with our work.

Once again, we rounded off the year in style, with over 50 famous faces supporting Christmas Jumper Day, including Holly Willoughby and Kirstie Allsopp. Dame Helen Mirren, Munroe Bergdorf, Bukky Bakray and Yungblud were among the new names getting involved as part of a very special photography project spearheaded by renowned photographer and activist Misan Harriman.

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BUILDING A MOVEMENT OF SUPPORT BEHIND OUR CAUSE

Key achievements

This year, we continued to deliver on our commitments to build deep and lasting connections with our supporters and partners. Here were some of our main achievements in 2021:

- We stepped up our focus on campaigning to get political and public attention on the issues that matter to children. Our supporters are a vital part of this work.
- We launched a new brand mindset and campaign platform called *Powering Possible*. It is inspired by children's attitudes and endless energy. It will drive us to find new ways to make a difference to children's futures. It will shift public perceptions of our brand so that more people join us to protect the rights of children.
- We sharpened our focus on creating powerful experiences for supporters, which inspire both new and deeper engagement. For example, we honed our loyalty programme to ensure supporters feel energised, impactful and connected; we continued to test and refine our children's book product *Wonderbooks*; we trialled a new approach to regular giving; and we explored the best ways to amplify our work through influencers.
- We worked to better understand the current diversity of our supporter base; we adapted our communications to ensure we are not taking power away from the communities we support; and we explored new ways of engaging with a wider base of support – in particular, Islamic audiences.

Challenges

We have effectively adapted in many ways to the 'new normal' created by COVID-19, but there remained some key challenges in 2021:

- Adapting to the new context has slowed our delivery of new and more innovative fundraising and marketing activities.
- Legacy notifications and income slowed because of delays in probate.
- Potential partners delayed making commitments to our work as they assessed the ongoing impact of COVID-19 on their own operations.
- Tighter budgets resulted in lower media spend and, therefore, less public visibility and reach.
- Our commitment to child rights means sometimes we need to challenge government policies that harm children – this can be controversial, but it is a core part of our charitable purpose.
- Uncertainty and changing regulations limited face-to-face fundraising events and activities.

In addition, the UK government's decision to reduce the aid budget from 0.7% to 0.5% led to budget cuts for several of our projects and it hindered the government's ability to have the policy impact that would have normally been associated with a UK-hosted G7. The UK's transition period for leaving the EU also ended, which meant we lost access to EU development and humanitarian funding.

Many of our INGO and domestic charity sector partners faced similar challenges of shrinking budgets and shrinking civil society space, both in the UK and around the world.



PHOTO: ANNA GORDON/SAVE THE CHILDREN

Crack the Crises campaigners hand in a 'Wave of Hope' to the UK government and G7 country embassies.

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THE SAVE THE CHILDREN MOVEMENT

In 2021, our impact was wide-reaching and we worked together to achieve incredible things:

43,000,000

children were directly supported by the Save the Children movement and our partners, working across 118 countries*

31,900,000

adults were directly supported by the Save the Children movement and our partners

IN 103 EMERGENCY RESPONSES

the Save the Children movement and our partners supported 18 million children and 13.1 million adults across 80 countries

** This estimated total reach figure includes data from 90 countries, out of a total of 118 countries where we worked. While the proportion of offices that report continues to increase, this process does not yet reflect all programming across the Save the Children movement. For details of our relationship with the wider Save the Children movement, see page 6. A person is reached directly when she/he/they have received one or more project/programme inputs from Save the Children or a partner, or has participated in activities or accessed services provided by Save the Children or a partner, or by institutions or individuals supported by Save the Children or our partners.*

† Refers to active volunteers holding a formal volunteering role as of 31 December 2021. Many more volunteers will have supported us during the year.

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SAVE THE CHILDREN UK

£240,000,000

raised by Save the Children UK and our supporters

3,955 VOLUNTEERS

in the UK gave their time, energy and skills to support our cause†

THE ART OF TOGETHERNESS

Sorella, six, is just one of the young artists who drew the doodles that form the word TOGETHER featured on this page. It's a word that captures the spirit of this annual report – and of our work.

The children created their artwork at the Food Pantry Store we support in Manchester. The pantry has helped the local community get access to good healthy food as they struggled to cope with the financial fallout of the pandemic.

In 2021, we invited families who use the pantry to co-create the artwork about togetherness.

We also helped provide activity packs at the pantry to give children something to look forward to each week. Many families have described the packs as a "godsend", especially during lockdowns and school holidays. As well as encouraging children to be creative, they help families to bond and the whole community to make new friends – in other words, to come together.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

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PEOPLE AND CULTURE

Save the Children UK is here to make a positive, lasting difference for and with children. We can only realise that ambition by recruiting, retaining, developing, engaging and supporting our extraordinary people, so they can do the best work of their career here at Save the Children UK.

As a rights-based organisation, we hold equity and justice at the heart of our approach to people and culture. We are committed to valuing all of our people equally, and work hard to create an environment that is free from discrimination and inequity.

OUR PEOPLE

The Save the Children movement has around 23,500 staff working across the world, the majority in their own country.

As of 31 December 2021, 877 staff were employed at Save the Children UK and 3,955 people were working in a formal volunteering role.

To find out about our approach to pay and overheads, see page 56, and for details on our gender and ethnicity pay gaps, see page 58.

OUR PEOPLE AND CULTURE PROGRESS

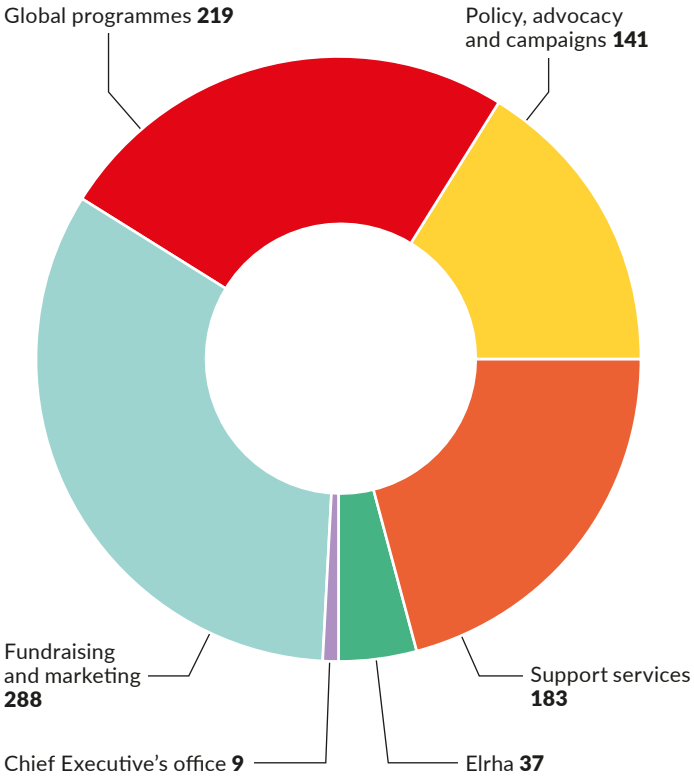
In 2020 we launched our People and Culture strategy, setting out how we plan to improve our organisational culture, better support our people and become the organisation we aspire to be.

Last year, we stepped up our efforts to support our people by:

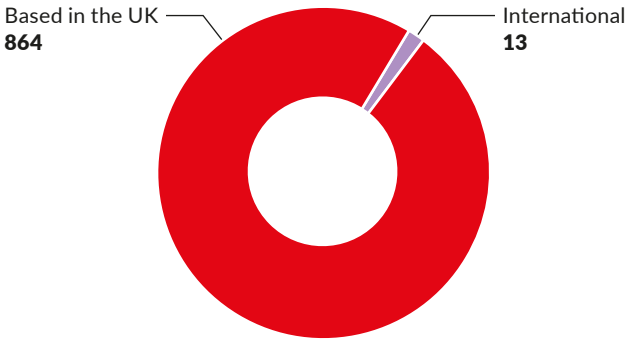
- refreshing our career-development framework
- launching an internal career-development coaching network
- introducing a programme to grow people managers' skills and confidence to help ensure all our staff experience positive, supportive and consistent line management.

Our Expectation Framework underpins this work. It explicitly lays out the responsibilities, behaviours and actions expected of our people managers, equipping them to support their teams and drive progress towards our ambitions.

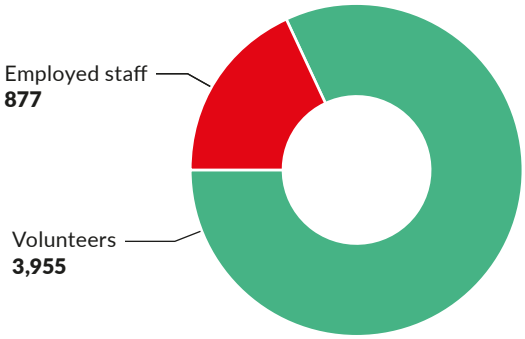
Save the Children UK staff by division



Save the Children UK staff by location



Save the Children UK employed staff and volunteers



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EMBEDDING DIVERSITY AND INCLUSION

We know we cannot create the impact we want for children if equity, diversity and inclusion isn't at the heart of everything we do. In 2021, we established a Diversity and Inclusion team for the first time ever, which reports to the Chief Executive. Our strategy, 'Free to be me', provides us with a framework to realise these commitments, and is focused around three pillars:

1) building an inclusive and equitable workplace
2) tackling the underrepresentation of marginalised groups
3) decolonising development (ie, putting power back into the hands of communities).

Last year, we launched Breaking Barriers, our new pilot mentoring programme. It is designed to increase confidence, promote career progression and open up access to development opportunities. It's available to staff from Black, Asian and minority ethnic communities; staff with disabilities; staff who identify as LGBTQI+ and staff from working class or low-income backgrounds, because of the societal and systemic barriers these groups face.

To bring about meaningful change across the organisation, we need to be comfortable talking about uncomfortable issues on inclusion. We have held discussion sessions and had external speakers talk to staff about power, privilege and creating an inclusive working environment. We have rolled out a learning programme for senior staff called 'Talk and Transform'. And to make inclusion part of our individual responsibility, all staff have diversity and inclusion goals in their overall objectives.

In 2022, we will keep working hard to create a psychological safe space to have these conversations and move further towards becoming truly inclusive.

REVISING OUR POLICIES

To complement our strategies, we began revising the key policies that define staff behaviour, how staff performance is managed, and how people managers deal with conduct or grievance issues. As part of this work, we refreshed several policies in 2021, including our Code of Conduct and Respect at Save the Children UK, and launched a trans inclusion policy.

WELLBEING

We've continued to make staff wellbeing one of our top priorities this year, promoting it both during the pandemic and over the long-term. In 2021, we:

- launched a new wellbeing strategy and developed introductory training on mental health for all staff
- introduced paid disability leave, separate from other forms of leave, for colleagues with disabilities, to help them to manage their disability
- temporarily increased our sick-pay provision and continued to offer furlough to staff who couldn't work, in line with the government support scheme, which we topped up to 100%.

A total of 119 staff accessed our wellbeing service in 2021. The team provided short- and long-term support.

This year we safely re-opened offices across the four UK nations, introducing a hybrid working model. This meant that staff who could comfortably and effectively work from home did not have to come into an office. Those who were travelling overseas, or working from our offices or another location in the UK (including our shops), were supported to do so safely. We have a centrally managed system in place for dealing with cases of COVID-19 in offices and shops.

BECOMING A STRONGER, MORE EFFECTIVE ORGANISATION

Key achievements

For our staff to be able to do the fantastic work they do, we have to create the right environment and provide the right infrastructure. This year we have:

- improved our cyber-security and made sure we comply with industry standards to protect our data
- enhanced our digital systems, processes and tools, including planning how we implement our new supporter relationship management system
- updated our infrastructure to allow staff to work from home or the office, and promoted equal participation between in-office and remote workers
- provided staff with IT support and training.

Challenges

The COVID-19 pandemic posed significant challenges to teams working in facilities, staff health, risk and trading. Differing government guidance and regulations in each nation exacerbated these problems and led to frustration about disparities across the organisation.

We experienced capacity challenges in key areas due to funding constraints, absences and adjusted working patterns linked to COVID-19.

Cases of infection among staff and volunteers caused distress and made it difficult to maintain business continuity. Exhaustion and burn-out were also experienced by some staff, due to working long hours throughout the pandemic.

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OUR STRATEGIC PRIORITIES: THE ROAD AHEAD

In 2021, we launched our new strategy, 'Let's Make Better Possible'. As we look to build on our past successes, over the next three years we will focus on the following goals:

Key theme	2022–24 strategic priorities
Driving impact for children as a global Save the Children movement	• Work towards our four global goals, providing children with a healthy start in life, a safe return to school and access to quality learning, a childhood free from violence and resilience to cope with future shocks. • Respond to and anticipate threats – from the climate crisis to child rights violations – across our work • Work more closely with the global Save the Children movement, ensuring we pool resources, expertise, partnerships and evidence to drive faster and lasting progress • Focus on the children and families most impacted by inequality and discrimination, e.g., girls, carers, children with disabilities, refugees and those facing racism
Transforming how we work with children and communities	• Ensure children's voices are central to shaping our approach. This includes embedding our Child and Youth Participation Strategy, establishing our Youth Advisory Board beyond its initial pilot phase and establishing and continuing partnerships with other youth-led organisations (eg, the Scouts) • Support the movement-wide 'localisation' strategy, which includes forging more equitable partnerships with community-based organisations and communities to deliver programmes and advocacy work, globally and in the UK
Building a vibrant and inclusive movement of support behind our cause	• Ensure our brand platform, *Powering Possible*, shapes everything we do and say, shifting perceptions of our brand from one that is old-fashioned and institutional to one that is aspirational, energising, distinctive and creative • Build powerful new propositions that are closely tailored to our future audiences' motivations and that give our supporters more value back • Renew and diversify our supporter engagement portfolio, shifting from a traditional transactional model to one that places greater emphasis on high lifetime value audiences of the future • Ensure our supporters feel personally impactful, energised and recognised through their relationships with us • Establish longer-term global partnerships that support our strategic goals
Becoming a stronger, kinder, more diverse and inclusive organisation	• Build a more diverse, inclusive and engaged workplace that delivers on our people and culture and diversity and inclusion commitments • Become a leaner organisation, minimising our operational costs so we can spend more on delivering impact for children • Explore innovative new venture models that unlock new income streams and partnerships with the potential to drive higher impact • Improve how we use digital technology, data and evidence to inform decision-making and establish how best to deliver impact

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FINANCIAL PERFORMANCE

In what was another tough and uncertain year, we are extremely grateful to all our supporters for their continued generosity. We are committed to ensuring our income is used efficiently, effectively and responsibly by making every pound count.

HEADLINES

Our total income in 2021 was £240 million and our total spend was £236 million, a reduction of £49 million and £47 million respectively on the previous year.

£m	2021	2020	Increase/ (Decrease)
Restricted income	164	214	(50)
Unrestricted income	76	75	1
Total income	**240**	**289**	**(49)**
Restricted spend	162	211	(49)
Unrestricted spend	74	72	2
Total spend	**236**	**283**	**(47)**

The COVID-19 pandemic continued to affect our financial performance in 2021. The restrictions in place in the early part of the year reduced our income from our retail shops and fundraising events. Our unrestricted income was up £1 million on 2020 at £76 million, but remained substantially lower than pre-pandemic levels. At the same time, our restricted income was down £50 million on 2020, because of a combination of COVID-19 and conflicts around the world reducing our ability to deliver programme work through Save the Children International. Changes in the funding priorities of some of our key donors also had an impact on our restricted income. Some of this income will be carried forward and spent in 2022 as these programmes restart.

INCOME

Institutional donors: £132 million (2020: £160 million)

The income we receive from our institutional donors is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world. Our overall income in the year from institutional donors fell by £28 million compared with 2020. The factors behind this fall include disruption to our programmes caused by COVID-19 and by conflict in Myanmar, Yemen and Afghanistan, as well as the effect of the FCO/DFID merger and subsequent aid cuts.

Individuals, legacies and communities: £65 million (2020: £65 million)

Income from individuals and communities was £46 million, down £2 million on 2020. Regular donations from individuals fell slightly – by £0.5 million – compared with 2020, reflecting the downward trend in regular giving as we continue to acquire fewer supporters than we are losing. One-off donations were down £1.5 million, as restrictions curtailed our fundraising events and appeal income fell. We received £19 million of legacy income in 2021, an increase of £2 million on 2020. It was still lower than our historic average, however, partly because of continuing delays at the probate office.

Corporates, major donors and trusts: £28 million (2020: £49 million)

Strong relationships with our corporate partners generated £15 million in 2021, down £7 million on 2020. This fall can be attributed to the one-off income we received in 2020 for our COVID-19 response. GSK remained our largest corporate partner (£6 million), followed by IKEA (£3.5 million) and Unilever (£2.5m).

Our income from major donors and trusts was £13 million in 2021, a decrease of £14 million on 2020. The end in 2020 of a substantial grant from Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund for drought response in Somalia is the main reason for this fall.

Trading: £7 million (2020: £7 million)

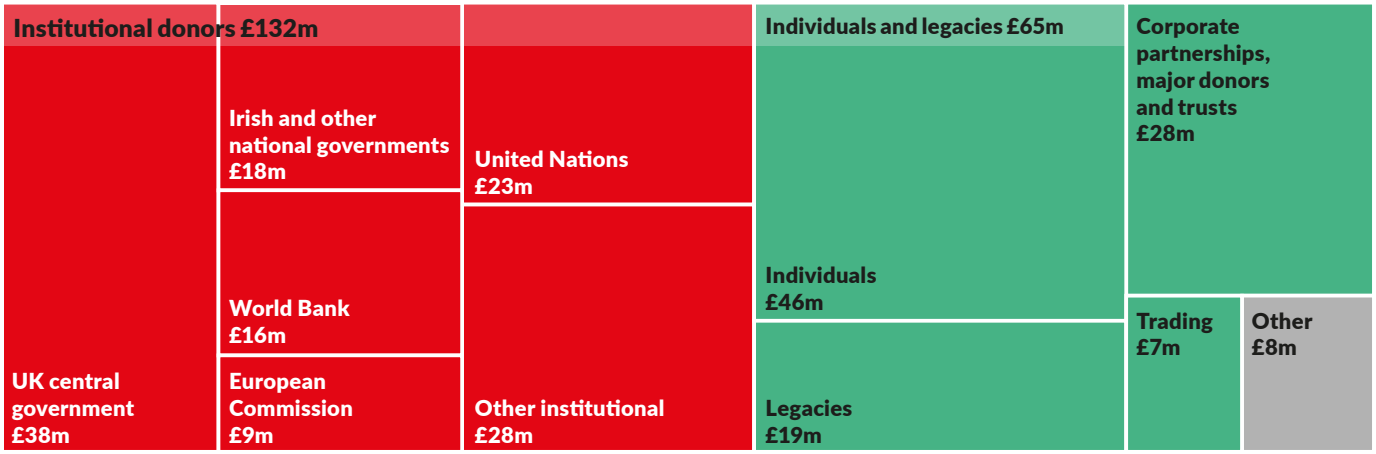
Despite COVID-19 restrictions in early 2021, our shops were open for longer than in 2020. As a result, our shop income was £7 million, up £3 million on 2020. It's still £3.5 million down on 2019, however, due to the continuing impact of the pandemic.

In 2020, the People's Postcode Lottery generated £3 million of trading income. Its funding approach has changed and the £2.6 million we received in 2021 is now included as donation income within major donors and trusts.

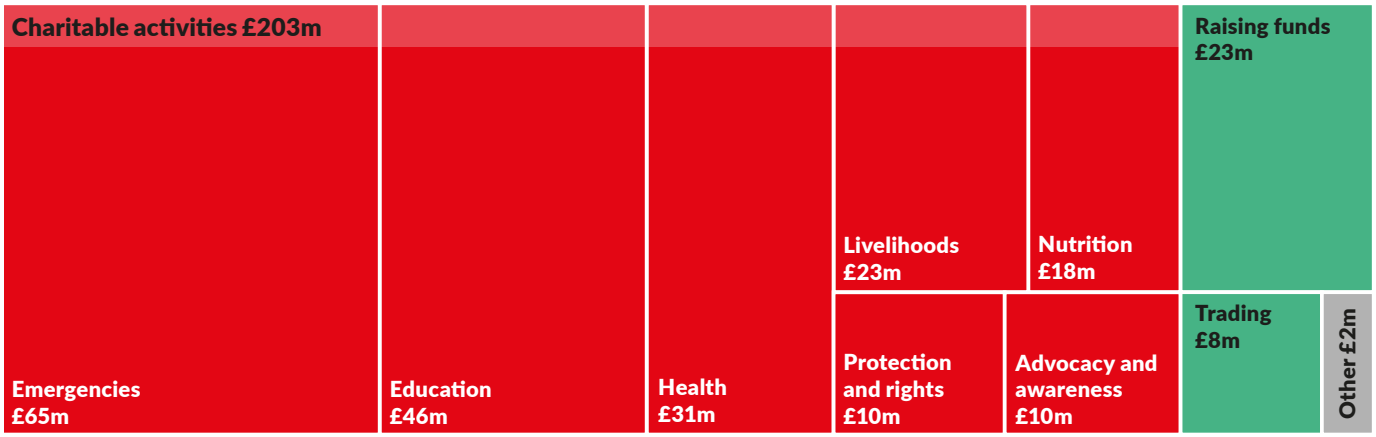
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2021 income and expenditure

Total income £240 million



Total expenditure £236 million



EXPENDITURE

Our total expenditure in 2021 was £236 million, a reduction of £47 million on the previous year. A combination of COVID-19 and conflicts has helped cause this fall in spending by reducing our ability to deliver our programmes through Save the Children International.

Charitable activities: £203 million (2020: £252 million)

Our charitable expenditure includes £163 million directly on programmes in the UK and internationally; £8 million directly on advocacy and awareness; and £32 million on support costs for our programme, advocacy and campaigning work.

The diagram above shows our charitable expenditure broken down by thematic areas. For a geographical summary of where we've spent our money in 2021, see page 7.

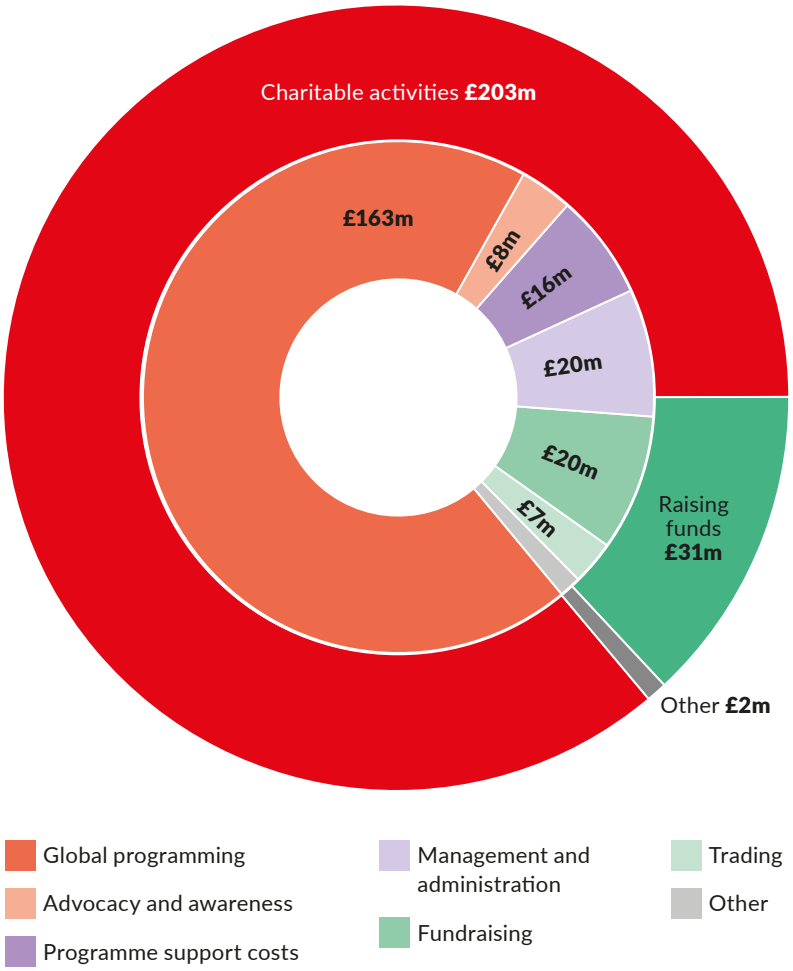
We spent £65 million responding to emergencies in 2021, which includes grant expenditure of £22 million through the Start Network, and £9 million through our humanitarian entity Elrha. Our expenditure on livelihoods decreased by £15 million to £23 million in 2021, due to the end of a large Somalia drought response programme. Our health spending also fell by £11 million as some large health programmes in Myanmar and Yemen came to an end.

Our direct spending on advocacy and awareness in 2021 was £8 million, a £1 million reduction on 2020. We unite with others to drive long-term and sustainable change, including through an advocacy grant from the Bill & Melinda Gates Foundation on child survival.

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2021 expenditure

Total expenditure £236 million



Charitable activities – £203m includes
£163m of global programming
£8m of advocacy and awareness
£16m of programme support costs
£16m allocation of management and administration support costs

Raising funds – £31m includes
£20m of fundraising costs
£7m of trading costs
£4m allocation of management and administration support costs

Other – £2m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

Raising funds: £31 million (2020: £29 million)

Although slightly higher than in 2020, our investment in fundraising in 2021 was still £6 million down on pre-pandemic levels. We spent £23 million on the direct costs of running our diverse fundraising channels and activities, and £8 million on our retail shops. This reduced investment means our fundraising income hasn't yet recovered from the impact of the pandemic, but we are exploring options to grow our income again with increased investment once the financial situation allows. Retail costs in 2021 remained stable as they mostly comprise fixed overhead costs. Our shops operated at an overall loss due to the closures in early 2021, but higher retail income during the rest of the year resulted in a much smaller loss of £0.5 million, compared to a £4 million loss in 2020. In 2022, we have budgeted for a full year of trading and a return to profitability for our shops.

Support costs

In accordance with the statement of recommended practice for charities' accounting and reporting, our support costs are allocated over the functional areas they relate to, as shown in the pie chart above.

Management and administration support costs were £20 million in 2021, in line with 2020. This includes spending on finance, human resources, technology, legal and governance activities (such as child safeguarding), protection against fraud, and audit costs. While these costs are a necessary part of running the organisation, we continually look for efficiencies, so we can allocate more of our funds to deliver impact for children.

Programme support costs – those incurred in designing and monitoring programmes, and by Save the Children International in delivering programmes – were £16 million in 2021, a £2 million reduction on the previous year. Our share of the overall membership contributions payable to Save the Children International fell in 2021, because of our lower levels of programming in the year.

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TOTAL FUNDS

As at the end of 2021, the closing funds are made up of the following balances.

	2021 (£m)	2020 (£m)
General reserve	33.1	34.1
Revaluation reserve	5.9	4.4
Designated funds	6.1	6.4
Pension reserve	(0.1)	(2.8)
Total unrestricted funds	**45.0**	**42.1**
Restricted funds	14.0	11.6
Endowment funds	5.5	4.9
Total restricted funds	**19.5**	**16.5**

Unrestricted funds

General reserves of £33.1 million are the part of the charity's funds that are not restricted or designated to any particular purpose. The balance on the revaluation reserve is the unrealised gain on our investment portfolio. Designated funds are funds that have been invested in fixed assets, associates or programme-related investments or have been allocated for a specific purpose by the trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve these funds are not readily available, so are not included in the calculation of general reserves.

Restricted funds

Restricted funds of £19.5 million represent funds that have been given for a particular purpose. The trustees have no discretion to reallocate them for other use. See restricted funds note 22 of the financial statements for further details of how this balance is split by region, specific appeal or thematic area. These balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset; the fund is permanent and only the income generated by the fund can be expended.

RESERVES POLICY

Our reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds at the discretion of the trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income, allowing time to adjust our cost base or business model
- incurring one-off costs that are not covered from donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are matched by highly liquid investments so that we can draw on them quickly if necessary. See further details in the investments section on page 43.

Our reserves range is reviewed annually. In 2021, our target reserves range was £28–£33 million. Our closing general reserves of £33 million are therefore at the top of the target range. Ahead of approving the 2022 financial budget, the Board reviewed an update of the detailed risk assessment used to assess the level of general reserves appropriate for the charity to maintain. As a result of the Save the Children Defined Benefit Pension Scheme now being in surplus, deficit reduction payments of c£5m per annum stopped in 2021. Any potential liability relating to the Scheme benefit review (see note 25h of the financial statements) would primarily be funded through a multi-year payment plan that would be agreed with TPT. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit. The trustees have determined to increase reserves annually until 2024 (when a court ruling is anticipated to be made) and therefore have agreed that a higher approved range of £30–£40m is appropriate for 2022.

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INVESTMENTS

The trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of Save the Children's money that is not immediately required.

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice when markets are weak. We maintain the majority of our investments in equities and bonds to give us the opportunity of long-term growth. The portfolio reported a gain of £3 million in 2021, following a gain of £1 million in 2020.

PENSION SCHEME

The valuation of Save the Children's Defined Benefit Scheme (a scheme in the TPT umbrella trust), for the purposes of FRS 102, showed a funding surplus of £21 million at the end of 2021 (2020: deficit of £2.2 million). This surplus has not been recognised on the balance sheet, as the charity is unable to recover the surplus through either reduced contributions or refunds from the scheme. The FRS 102 valuation is different from the triennial actuarial valuation, which was last made in September 2020 with a funding update in September 2021. The September 2021 valuation showed a surplus of £12.1 million; it was therefore agreed with the Trustee of TPT that we would stop making deficit contributions in October 2021. As detailed in note 25h of the financial statements a review of scheme benefit changes is currently being undertaken.

We also have a Defined Benefit Growth Plan Scheme in the TPT, which had a deficit of £0.1 million at the end of 2021 (2020: deficit of £0.5 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children UK works in partnership with many organisations and during the year we provided grants to the value of £139 million. The largest amount of grant money was given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate emergency relief. Such grants help local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work with children. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

We closely monitor our financial performance throughout the year. The executive directors review monthly reporting on income, spend, reserves, debt and cashflow positions to achieve Board-approved targets. On a quarterly basis, we provide financial analysis for review by the Finance Committee and Board. We also undertake quarterly reforecasts to enable us to review and respond to changing financial circumstances as and when they arise.

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. There are no external borrowings, and processes are in place to monitor cashflows in order to minimise liquidity risk. Purchased goods and services are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. We also review assets and liabilities by currency on a monthly basis and if required reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children UK's financial performance and the general reserves position for 2021. Although the COVID-19 pandemic continued to create significant uncertainties, we managed our expenditure in 2021 to end the year within our reserve range.

The financial statements have been prepared on the going concern basis. The trustees have prepared cashflow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that, taking account of reasonably possible downsides on our operations and financial resources, the group and charitable company will have sufficient funds to meet our liabilities as they fall due for that period. More information is provided in the accounting policies section of the financial statements on page 70.

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ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

Save the Children UK believes effective risk management is key to successfully delivering our strategic priorities and achieving our ambitions for children.

Principal risks and uncertainties in 2021

Once again, the COVID-19 pandemic and its impact dominated our work last year. Protecting health, safety and wellbeing remained central to our response.

As with many other charities across the UK, we experienced increased risk to our financial stability. We lost income from our retail shops and fundraising events. But we kept our expenditure under close control and continued to diversify our income streams. And we took robust measures to manage the health risks of COVID-19 to our staff, volunteers and the children and communities we work with.

We implemented new workstreams, such as a mentoring programme for diverse staff groups and a programme to help people managers grow their skills and confidence. These workstreams aimed to improve staff engagement and reduce attrition.

Outside the UK, Save the Children's strategy and operating environment expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to work in conflict-affected and fragile states, and in humanitarian emergencies. This has implications for our risk profile. During 2021, we worked closely with the Save the Children movement and our funding partners to meet the challenges presented by the pandemic and manage the risks to our international programmes.

How we managed our principal risks in 2021

We updated the organisational risk profile on a quarterly basis to ensure it reflected new or rising threats, as well as the shifting impact of the pandemic. Despite a challenging year, most of our principal risks remained stable through 2021. That's because we used agile mitigation strategies, set out in the table below, in response to changing threats and priorities. We measured our principal risks against our agreed risk appetite. These were then reviewed and challenged by the Audit and Risk Committee and Board of Trustees, who received regular risk updates throughout the year. They considered the potential impact of risks on the organisation and its ability to achieve its ambitions for children.

Risk movement in 2021



Principal risk	Risk mitigation strategy
Impact for children  Failure to work effectively with Save the Children International and other partners to develop strong country strategies, design evidence-based programmes and implement them effectively will limit the impact of our programmes and advocacy.	We work closely with Save the Children International to design and deliver our international programmes and have robust arrangements in place to monitor their effectiveness. In 2021, we continued to focus on managing risks to the delivery of our UK and international programmes, and adapting to the needs of children in a pandemic. With our partners, we designed and delivered support for children and families worst-affected by the crisis. We worked with the movement and other partners to deliver messages on how the pandemic was affecting children and families, amplifying their voices and maximising the impact of our advocacy both in the UK and overseas. In the UK, we established our Youth Advisory Board to ensure we really understand and address the issues that children care about. Our Board of Trustees received updates about our UK and international programmes throughout the year.

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Principal risk	Risk mitigation strategy
Safeguarding the children and adults we work with If we do not have adequate systems to prevent and respond to safeguarding incidents, children and adults may be harmed and confidence in Save the Children's ability to deliver its mission may be compromised.	We continue to invest in our safeguarding arrangements, ensuring that they are robust and reflect the environments in which we work. We have policies and procedures to help ensure a safe environment, including pre-engagement checks for staff and volunteers, mandatory training and reporting requirements and a robust code of conduct. Our arrangements are routinely subject to independent audit and review. We recognise the need to continuously work on our controls and processes to drive improvement in this area. In 2021, sickness and resignation created gaps in our Safeguarding team, but we were able to fill them using experienced staff from established external providers. In the UK, teams across the charity worked proactively to prevent safeguarding incidents in our UK activities. We updated our safeguarding and whistleblowing policies, and encouraged staff and volunteers to report incidents and concerns through a variety of channels. We are working with Save the Children International to address safeguarding risks to the children, adults and staff in our international programmes. This includes adhering to the policy and standards set out in our Global Child Safeguarding protocol. In 2021, we established a Safeguarding Committee as a formal sub-committee of the Board of Trustees, chaired by an appointed safeguarding trustee. Our Board of Trustees and Safeguarding Committee received regular updates on the effectiveness of our safeguarding measures.
Health and wellbeing of our staff and volunteers Failure to protect our staff and volunteers from health and safety incidents and promote wellbeing during the current pandemic could harm our people and expose Save the Children to regulatory action.	In 2021, we revised our health and safety policies, and introduced a compulsory new health and safety training package for all staff. Specialist staff provided employees with advice on both physical health and mental wellbeing. In response to the COVID-19 pandemic, a Staff Health Advisor supported the management of COVID-19-related risks both in the UK and overseas. We supported home-working arrangements, providing staff with office equipment and advice on how to work safely at home and protect their own wellbeing. We put robust measures in place to create safe office and shop environments. This included providing COVID-19-related health and safety training to our retail teams. For those staff who were deployed overseas in 2021, we refined our approach to travelling during a pandemic. Our Wellbeing team provided direct support to staff, and pointed them towards other mental health resources. Our Board of Trustees received regular reports on health and safety through our Audit and Risk Committee. Despite the challenges presented by COVID-19, they accepted all remaining health and safety audit actions as closed.
Programming in complex environments We face a range of risks to staff safety and security in the complex environments where we work. Such environments also bring risks of fraud, bribery, corruption and inadvertently working with (or assisting) prohibited parties.	Save the Children International delivers most of our overseas programmes and is responsible for managing operational risks in the challenging environments where we work. In 2021, we worked closely with SCI to mitigate those risks, including COVID-19-related threats. In 2021, we continued to deploy staff to provide programme support. We trained them to manage the risks involved in delivering programmes, including threats concerning security, fraud, corruption and diversion of aid. We provided those deployed to humanitarian crises and conflicts with support for their mental wellbeing. Our Audit and Risk Committee received regular fraud reports throughout the year, as well as reports on our safety and security arrangements.

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Principal risk	Risk mitigation strategy
Meeting regulator, donor and supporter expectations Failure to meet the compliance expectations set by our regulators and donors would affect our ability to fundraise and operate in the UK. We must stand up to scrutiny from stakeholders, including the media and supporters.	Our governance is underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meeting our legal and regulatory obligations. We deliver fundraising and marketing activities in line with our Supporter Promise, being open about the standards we hold ourselves to when communicating with our supporters. In 2021, we continued streamlining and updating our internal policies and procedures. We also introduced improved guidance in our Fundraising and Marketing division to better support compliance with our legal and regulatory requirements when embarking on a new activity. Our Board of Trustees and Audit and Risk Committee received regular updates on compliance.
Workplace culture Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers, and could lead to reduced trust in Save the Children.	All staff sign a Code of Conduct to promote compliance with employee-relations policies. We are implementing a comprehensive programme to build a more positive workplace culture and strengthen our people management capabilities. In 2021, our core employee policies were revised in consultation with staff, and training on these is ongoing. We launched Evolve, our new management-development programme, which helps people managers across the organisation grow their skills and confidence. We have regular check-ins on our expected workplace behaviours, challenging staff to reflect on how we listen and speak to each other, and encouraging us to hold ourselves personally accountable for our own conduct. All of this is designed to promote the respectful and inclusive behaviours we expect to see in the workplace. We continued to implement our Diversity and Inclusion strategy, launching the new training package at the end of year. We asked staff to set their own personal goals to promote diversity and inclusion. We launched our revised whistleblowing policy in November. And we completed an employee engagement survey in the summer, which showed progress had been made on strengthening our workplace culture. But there remains more to be done. Our People and Culture strategy is regularly reviewed by our Board of Trustees and People Committee.
Attract, engage and retain talented people Our people are our greatest asset. If we fail to attract, engage and retain the best staff, we're less able to make a difference for children.	We aim for all staff to have clear personal objectives, which help contribute to our vision and mission. Our pay and grading structure supports opportunities for career progression within the organisation. We conduct regular staff surveys to monitor engagement. In 2021, we launched our new management-development programme, mandatory for all people managers, to improve the ways in which we manage staff at Save the Children. Our Board of Trustees and People Committee received regular updates on how we manage our people. Our new Diversity and Inclusion strategy aims to improve how we attract, engage and retain talent from underrepresented and marginalised groups. Having dropped during the first year of the pandemic, our staff attrition rates started to rise again in the latter half of 2021, as employees began to seek new opportunities. We will continue to manage this issue in the coming year.

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Principal risk	Risk mitigation strategy
Safeguarding confidential and sensitive information If we, or one of our suppliers or partners, lose or allow unauthorised access to the data we hold on children and their families, supporters, staff, volunteers or partners, it could cause harm to those individuals and lead to regulatory action against Save the Children.	We have mandatory training in place on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents. In 2021, we further strengthened our cyber-security, upgraded our IT infrastructure and refreshed our business recovery processes in the event of an incident. We kept our Cyber Essentials certification. We conducted tests to assess the effectiveness of our controls and strengthened how we share sensitive information internally and with the wider movement. We provided guidance to staff on the cyber-security and data-protection risks of homeworking during the pandemic, and mitigated those risks where possible. An internal audit of our arrangements was completed and shared with our Audit and Risk Committee. Our Board of Trustees and Audit and Risk Committee received regular updates on our compliance with data-protection policies.
Financial stability External shocks or trends impacting our income, cashflow or reserves could put our future financial stability at risk.	We monitor our actual and forecasted financial performance continuously so that we can take the appropriate measures in good time. In 2021, our financial performance continued to be impacted by the pandemic. We had to close our shops, cancel events and reduce community fundraising. We have dealt with this reduction in income by managing our costs, in particular reducing investments in fundraising activities. As a result, we have maintained a strong level of general reserves through the year. We increased our general reserves range to reflect the increased uncertainty in the calculation of our defined benefit pension liability. This, together with controls around working capital management, enable us to ensure our financial stability. Our restricted income also fell, but we have successfully generated some new sources of funding, such as the Global Partnership for Education and the Lego Foundation. Continuing to diversify our income streams will be challenging for some time, though, given the political and economic climate we now face. To inform their decisions, our Finance Committee and Board received updates on actual and forecasted financial performance throughout the year. See also page 43 for financial risk management.

Continuous improvement in how we manage risk

In 2021, the Board of Trustees agreed a refreshed risk appetite. A revised risk policy was approved by the Audit and Risk Committee in September.

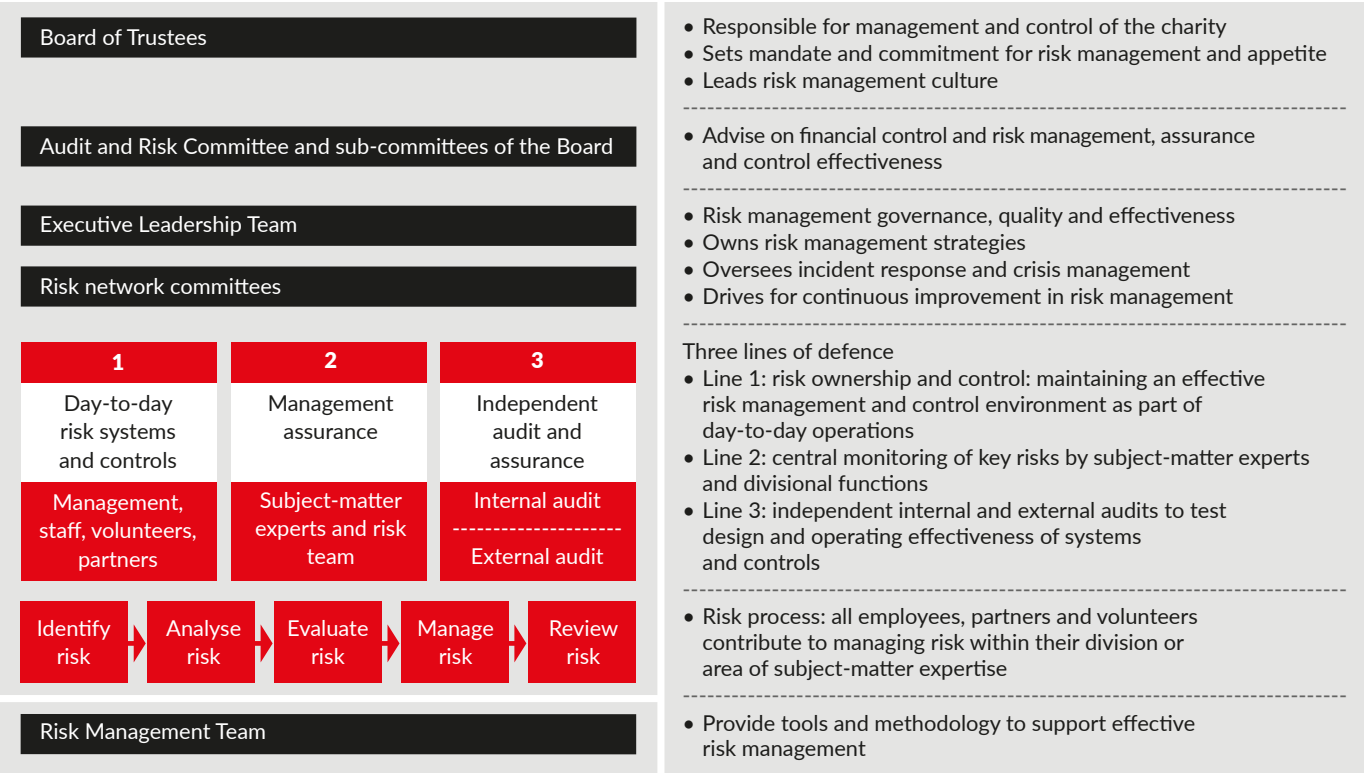
We used the lessons from our 2020 pandemic response to improve our 2021 business continuity plan for responding to an incident.

We selected an incident-reporting and case-management system that will better support us in managing incidents and near misses in the future across the charity. We'll implement the new system in 2022.

The pandemic tested our second line of defence (see diagram on page 48), applying pressures particularly where we have single points of failure in technical areas of crucial risk management. While we were able to maintain our risk mitigation, the impact of the pandemic allowed us to consider how we can better strengthen and structure our first and second lines of defence (see diagram on page 48) against key risks. We will make sure this work becomes more firmly established in 2022.

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ROLES AND RESPONSIBILITIES FOR MANAGING RISK



Working together to manage shared risks

The Save the Children movement operates through a networked structure, and members share exposure to financial, operational and reputational risks. We therefore work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. In 2021, the movement continued to work together to mitigate the risks to our financial stability and global strategy arising from the COVID-19 pandemic, as well as to the delivery of our programmes in some of the world's most difficult places to work.

Internal audit

In 2021, our internal audit function was delivered by Save the Children International's Global Assurance team, with continued support from Grant Thornton. Risk-based audits were conducted across key areas such as anti-terrorism financing, safeguarding, cyber-security and volunteer management. Internal audit reports were shared with the relevant executive director, as well as the Audit and Risk Committee. Progress on agreed audit actions were reviewed by the Audit and Risk Committee.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURAL AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

Save the Children UK is a member of the Save the Children Association (SCA), a global movement made up of 30 separate national members and Save the Children International and its network of three independent programme-implementing offices. Save the Children International was established in 2011 with responsibility for implementing international programmes outside the SCA's member countries, through country and national offices. Save the Children International is registered as a charity in England and Wales, and SCA is its sole member.

Save the Children members are responsible for programming, advocacy and fundraising in their own countries, as well as overseeing the international work. Some members, including Save the Children UK, also design international programmes in conjunction with national donors, which are implemented by Save the Children International. These members provide surge capacity to support the delivery of frontline programmes in emergency situations. Financing for international programmes is provided by 17 members, including Save the Children UK.

SAVE THE CHILDREN UK

Save the Children UK is a charitable company limited by guarantee, incorporated under the name of Save the Children Fund. The charity's articles of association provide that its trustees (who are also the directors of Save the Children for the purposes of company law) are the only members of the charity. The business of the charity is governed by the Board of Trustees (whose members during the year are listed below). The trustees are responsible for overseeing the management of all the affairs of Save the Children UK and delegate day-to-day management of the organisation to the Chief Executive and executive directors.

Save the Children Fund (1 St John's Lane, London, EC1M 4AR) is a limited company registered in England and Wales (178159) and a registered charity in England and Wales (213890), Scotland (SC039570) and Isle of Man (199).

TRUSTEES*	Committees**
Dr Tsitsi Chawatama-Kwambana (Chair) (appointed 25/01/2021)	N
Charles Steel (Interim Chair) (resigned 25/01/2021)	N, D, O
Richard Winter CBE (Hon. Treasurer; Co Vice Chair)	A, F, I
Arabella Duffield (Co Vice Chair)	A, D, S
Jahnine Davis (resigned 02/08/2022)	S, ST
Anne Fahy	O
Jessica Gladstone	D, S
Razia Khan	D
Dianna Melrose	N, W
Kajal Odedra	N, P
Tanuja Randery (resigned 30/09/2021)	P, O
David Ripert	P
Babatunde Soyoye	F
Mark Swallow	A, F, I

Gordon McFarland was appointed as a trustee of the charity on 24/01/22.

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS	Committees**
Richard Bernays (retired 09/03/2021)	I
Peter Moon (retired 15/12/2021)	I
Louise Hall (appointed 22/06/2021)	I
Stephanie Limond (appointed 22/06/2021)	I

* Trustee biographies are available on our website

** Committee membership as at 31 December 2021 or as of resignation/retirement date

Committee		Chair
(A)	Audit and Risk Committee	Mark Swallow
(F)	Finance Committee	Richard Winter
(I)	Investment and Pensions Sub-Committee	Richard Winter
(D)	Donation Acceptance Committee	Jessica Gladstone
(N)	Nominations Committee	Dianna Melrose (appointed as Chair 07/12/2021. Kajal Odedra resigned 06/12/2021)
(P)	People Committee	Gordon McFarland (appointed as Chair 01/04/2022. David Ripert appointed as Interim Chair 04/10/2021, resigned 31/03/2022. Tanuja Randery resigned 30/09/2021)
(O)	Oversight Sub-Committee	n/a
(S)	Safeguarding Committee	Tsitsi Chawatama-Kwambana (appointed as Interim Chair 15/08/2022. Jahnine Davis resigned 02/08/2022)
(ST)	Safeguarding Trustee	Tsitsi Chawatama-Kwambana (appointed as Interim Safeguarding Trustee 15/08/2022. Jahnine Davis resigned 02/08/2022)
(W)	Whistleblowing Trustee	Dianna Melrose

EXECUTIVE DIRECTORS as at 31 December 2021	
Gwen Hines	Chief Executive Officer (appointed 15/07/2021 following appointment as interim CEO on 02/06/21)
Kevin Watkins	Chief Executive Officer (resigned 15/07/2021)
Adam Berthoud	Interim Executive Director of Global Programmes
Fiona Clark	Executive Director of Transformation
Francis D'Souza	Chief Financial Officer
Gemma Sherrington	Executive Director of Fundraising and Marketing
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Interim Executive Director of People

COMPANY SECRETARY

Habibunnisha Patel

PRINCIPAL PROFESSIONAL ADVISERS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR
KPMG LLP
15 Canada Square, London E14 5GL

PRINCIPAL BANKERS
National Westminster Bank
PO Box 83, Tavistock House, Tavistock Square
London WC1H 9NA

PRINCIPAL INVESTMENT MANAGERS
Newton Investment Management Ltd
BNY Mellon Centre, 160 Queen Victoria Street
London EC4V 4LA

PRINCIPAL LEGAL ADVISERS
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

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SAVE THE CHILDREN UK GROUP MEMBERS

Save the Children UK has five subsidiaries, of which the first three listed below are operational:

- **Elrha** aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children UK and was established as an independent subsidiary charity in May 2018.
- **Save the Children (Sales) Limited** aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and by trading new goods through our shops, branches and website.
- **Humanitarian Leadership Academy (Enterprise)** aims to enable people around the world to prepare for and respond to crises in their own countries, and generate income for Save the Children UK.
- **Humanitarian Leadership Academy** was designed and developed within Save the Children UK and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children UK in 2019, and it no longer has any independent operating activity.
- **Medical Emergency Relief International (Merlin)** aims to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities have now been fully transferred to Save the Children UK, after Save the Children UK became the sole member of Merlin in 2013. As a result, Merlin no longer has any operational activity.

The results of each subsidiary are consolidated into the group accounts. For further details, see accounting policies on page 70 and group members note 14 of the financial statements on page 82.

GRANT CUSTODIAN FOR START NETWORK

Save the Children UK was the host agency of Start Network, a network of more than 50 non-governmental organisations working to build a more localised, proactive and effective humanitarian sector. As the principal charity within the consortium, Save the Children UK was legally responsible to donors for the charitable application of funds. Funding for the consortium was recognised by Save the Children UK as a separate restricted fund under the agreement with donors.

On 1 May 2019, Start Network became an independent charity, with Save the Children UK as sole grant custodian for some of its work. Following transition, only income and expenditure of awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised. Start Network continues to work with Save the Children UK to bring on additional grant custodians.

HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees is responsible for ensuring that all the organisation's agreed charitable objectives and activities are within UK law. Its work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out clearly in the Standing Orders of Save the Children UK.

The Board acts on advice and information from regular meetings with the Chief Executive and executive directors. Trustees are able, where appropriate, to take independent professional advice if it helps them fulfil their role. We also agree and implement an individual induction programme for each new trustee, covering all aspects of the role and the organisation.

In 2021, the Board held four virtual meetings to review our overall progress – on the basis of reports from the Chief Executive and Executive Leadership Team – and to assess the organisation's financial position and risks. During these meetings it:

- approved the charity's three-year strategy for 2022–2024
- reviewed the charity's performance in delivering against our objectives in 2021
- monitored the organisation's principal risks and progress on people and culture change
- agreed our budget for 2022.

The Board also held a number of ad hoc virtual meetings to discuss operational and financial matters with executive directors. These matters included locally led action and decolonising aid, the charity's annual report and accounts, the triennial Board-effectiveness review and the charity's participation in a financial redress scheme in Scotland for survivors of historic child abuse while in care.

As of 31 December 2021, there were eight women and four men on the Board of Trustees, five of whom identify as people of colour.

The Board has delegated specific responsibilities to six regular committees (the Audit and Risk, Finance, Donation Acceptance, Nominations, People and Safeguarding committees), one subcommittee (Investment and Pensions) and one temporary committee (which was unwound in March 2021), whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

- The **Audit and Risk Committee** oversaw preparation of the 2020 annual report. It reviewed the assurances provided to trustees about the control environment in operation during 2021, and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2021, and received reports of completed reviews and agreed actions. The committee

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was updated on the management of key risks across a number of topics, including programming, safeguarding, fundraising and marketing, health and safety, security, finance, tax, insurance, people management, volunteer management, fraud, advocacy and campaigns, information management (including cyber-security), data protection, and business continuity planning. For more information, please see the annual trustee risk statement on pages 44–48. The committee met five times in 2021.

- The **Finance Committee** reviewed the financial out-turn from 2020 and in-year forecasts for 2021, discussed the 2022–2024 financial model and supervised preparation of the 2022 budget. The committee also oversaw activities of the subsidiary entities, approved all Save the Children UK decisions to accept awards worth more than £10 million, and reviewed quarterly treasury updates. The committee met four times in 2021.
- The **Investment and Pensions Sub-Committee** is an advisory sub-committee of the Finance Committee. It met 12 times in 2021 to review the performance of Save the Children UK's investment manager and pension funds.
- The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity – and ultimately, in the best interests of children – to accept a donation or not. Information was shared with the committee by email throughout the year, and the committee met once. In 2021, it assessed 44 different potential high-risk opportunities from a range of donors (individuals, companies and trusts) and sectors, ranging from retail to finance. Of these, Save the Children UK agreed to proceed with 43 opportunities and rejected one.
- The **Nominations Committee** finds and recommends potential candidates for election to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the current Board. It manages a formal, rigorous and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with good governance practice under the Charity Governance Code. It considers appointments to the charity's Board committees. The committee is responsible for promoting diversity and inclusion at Board level and ensures new trustees are recruited in a way that encourages diversity and inclusivity. The committee is responsible for an annual review of the Chair's performance.
- The **People Committee** was established in 2020, replacing the Remuneration and People Committee. This change reflects a wider remit set out within the People and Culture strategy. The committee oversees the organisation's work on its people and culture, and performance and pay. It is also accountable for reviewing the performance of the Chief Executive, executive directors and other key senior staff, and makes recommendations to the Board on their remuneration, benefits and terms of employment. In 2021, the committee oversaw progress on the development and implementation of a number of workforce priorities, including the People and Culture strategy, Diversity and Inclusion strategy, managing the implications of the COVID-19 pandemic for our staff, and workforce development. The committee holds the Executive Leadership Team to account for employee-related decisions and monitored the implementation of all recommendations from the 2018 Independent Review of Workplace Culture. The committee met four times in 2021.
- The **Oversight Sub-Committee** was a temporary subcommittee of the People Committee. It was responsible for overseeing the improvement in the organisation's adult safeguarding practices. The committee was disbanded on 18 March 2021, and the Safeguarding Committee took on its responsibilities.
- The **Safeguarding Committee** is a new permanent committee established by the Board on 18 March 2021. It oversees serious safeguarding incidents, external investigations and reviews into serious incidents (where appropriate), the charity's safeguarding policies, the effectiveness of its safeguarding accountability mechanisms and its priorities for engaging on safeguarding matters with third parties, as well as reviewing its progress on safeguarding culture.

TRUSTEES' RESPONSIBILITIES

Statement of responsibilities of the trustees of Save the Children Fund in respect of the trustees' annual report and the financial statements:

The trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and regulations.

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

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company, and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company. They must ensure that the charity's financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

EXTERNAL AUDITOR

KPMG LLP has expressed its willingness to continue to act as auditor. A resolution to reappoint it, under section 485 of the Companies Act 2006, was approved at the Board of Trustees' meeting on DATE.

PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that we provide public benefit and achieve our objectives, as set out in our governing document. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, researching these matters, and public education about them. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning our future activities.

CHARITY GOVERNANCE CODE

In 2017, the Board of Trustees resolved to adopt the Charity Governance Code for larger charities. The code encourages charities to publish a brief narrative in their annual reports explaining how they apply it. In 2020, the Board conducted an external board effectiveness review, in accordance with the code's requirement that large charities carry out such a review every three years. The review was carried out against the updated code which enhances focus on the principles of integrity, equality, diversity and inclusion. The review concluded in April 2021 and found that the charity had good governance arrangements in place while identifying specific areas where this could be improved. The Board accepted all but two of the recommendations which related to reducing the size of the Board by co-opting members to committees where appropriate. In 2021, the Board focused on improving its effectiveness in the five agreed areas the review recommended: identity and direction (on the charity's future role and strategy), the Board as a team, culture, diversity and inclusion, efficiency of Board time, and the charity's subsidiaries. This work included:

- The launch of a rolling 12-month equality, diversity and inclusion development plan which implements equality monitoring of the Board on an annual basis, equality, diversity and inclusion awareness training and embedding governance oversight of this area into the Board agenda. The Board resumed training on equality, diversity and inclusion in 2022 with its first training session, and it is intended that two further sessions take place over 2022.
- A Board Away Day with an external facilitator to focus on the Board as a team and the charity's identity and direction, in view of the charity's current 2022–2024 strategy and longer-term strategy, as well as a workshop with the executive leadership team on its engagement with the Board.
- Strengthening of the annual trustee appraisal process through a more robust self-assessment and review process.
- Conducting a skills audit, which will be maintained annually, and will inform decisions on trustee appointments.

The implementation plan against all five areas is near complete with remaining work on the Board as a team and Board efficiency due to be complete before the end of 2022.

BOARD ACCOUNTABILITY

Since October 2018, as part of its commitment to transparency, the Board has published summaries of its quarterly meetings on Save the Children UK's website. The Chair updates staff on the Board's quarterly meetings and their outcomes.

As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with employees whenever an ad hoc meeting is requested. They report back to the Board on staff interests and concerns at its quarterly meetings or in the interim period, depending on the urgency of the matter being discussed.

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GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we must ensure that we live up to the standards and regulations that we demand of all actors influencing children's lives. Globally, Save the Children adheres to national and international standards and regulations. We are also committed to supporting the implementation of internationally recognised conventions, including the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, the Geneva Conventions, the United Nations Refugee Convention and the United Nations Convention of the Rights of Persons with Disabilities. In 2021, for example, we supported the Committee on the Rights of the Child's Day of General Discussion, which focused on the provision of alternative care for children who cannot be cared for by their family for whatever reason. We made sure the discussion actively involved children.

We also endorse the Make My Money Matter pledge and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation. We are signed up to the UN Global Compact, which aims to mobilise a global movement of sustainable companies and stakeholders to create the world we want. Members of the movement should seek to do this by aligning their strategies and operations with the Ten Principles on human rights, labour, the environment and anti-corruption. It should also take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

At Save the Children UK, accountability is a fundamental principle and a thread that runs through our 2022–24 strategy. It is essential for building and maintaining the trust of our stakeholders, ensuring donor confidence and supporting our people to achieve our objectives. Every individual and team has a role to play in ensuring:

1. **Dynamic accountability** – building meaningful relationships with children, supporters, staff and partners to understand their needs and establish and build on shared values.
2. **Strategic accountability** – doing what we say we will do by having the greatest impact for children.
3. **We use resources responsibly and do no harm** – putting safeguarding, financial accountability and environmental responsibility at the heart of our decision-making and governance.

The needs and priorities of children and communities are at the heart of our approach to dynamic accountability. The pillars on which we stand are shared values, a mutual understanding of how our stakeholder relationships work and delivering on our commitments with integrity.

Our 2022–24 strategy calls on us to work closer with children than we ever have done before, listening more intently and further amplifying their voices. We are shifting the power to children, communities and our local partners, in the UK and globally. We will be bolder in speaking out and building the power of children and our allies to do so themselves. Our Youth Advisory Board helps us hold true to putting children's rights at the heart of everything we do.

We are also developing more strategic, shared-value partnerships to co-create lasting impact, and reinventing our relationships with our supporters, making them more meaningful and long-term.

We strive for the highest level of transparency in our reporting so our supporters can hold us to account. Our annual reports have been highly commended by an independent panel in four of the past six PwC Building Public Trust Awards, which recognise the principles of clarity, openness and authenticity.

Since 2012 we have voluntarily published timely, detailed and comparable information on our programme spend through the International Aid Transparency Initiative (IATI), which is accessible to all our donors and supporters.

Please visit the accountability page on our website for further details on how we ensure we are accountable to our stakeholders. If you have any feedback on how we can improve our annual report or broader transparency, please contact our Senior Accountability Manager.

STAYING SAFE OVERSEAS DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic had an impact on all Save the Children UK activities in 2021. We mitigated the risks to our staff's health and safety when working overseas by:

- restricting international travel in the first half of the year to 'essential only', and to 'business critical' in the second half
- ensuring personal protective equipment was available where necessary, particularly in clinical settings
- recognising that all international travel still carries a high risk, and requires enhanced pre-deployment medical and psychological checks
- informing staff that COVID-19 restrictions reduce our capability to provide medical evacuations.

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STAKEHOLDER ENGAGEMENT: DELIVERING VALUE

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders. This is best achieved through proactive and effective engagement.

Below are examples of how we engage with our key stakeholders, each of which requires a tailored approach. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group. We can consider their needs and concerns, in accordance with s172 of the Companies Act 2006. This list is not exhaustive.

YOUTH CAMPAIGNERS

We work alongside children to campaign for change. Throughout the year, we engaged with young activists to support their campaigning and understand what matters most to them.

In 2021, we established the new Youth Advisory Board. For more information on how we work closely with them, see page 30.

EXAMPLE ENGAGEMENT OUTCOME

We also relaunched our partnership with the Scouts this year after the pandemic put a host of activities on hold. We delivered engaging and thought-provoking activities to children and young people in Scout groups across the UK, using games and craft activities to help them to better understand the challenges facing refugees and displaced children. At the end of these sessions, we encouraged Scout groups to start discussing and planning how they will take action to support refugees in their communities.

LOCAL PARTNERS

For information on our work with local partners and how we are both engaging with and shifting power to them, please see page 32.

EXAMPLE ENGAGEMENT OUTCOME

We work closely with the Civil Society Legislative Advocacy Centre (CISLAC) in Nigeria. We are supporting CISLAC's work to map and assess the social and legal justice systems in Yobe state, and recommend how these systems can be strengthened and made more accessible, especially at the community level.

CISLAC will also be helping to implement a new state-led social protection programme. The programme will provide financial support to 8,000 households in the Yobe state so they can access food and other essentials. CISLAC will make sure local communities are aware of this support, and that those who most need it can access it.

CHILDREN IN THE UK

A key principle of our work in the UK is 'if it matters to children and families, it matters to us'. When developing our strategy, we draw on insights from the children, parents and carers we support. When we develop community partnerships, and advocate and campaign at a national level, we make sure children's voices and those of their families are heard.

We involve our network of parents with lived experience of poverty in shaping our campaigning priorities. We create opportunities for young people and parents to speak about what matters to them to decision-makers and the media, and support them to do so too.

EXAMPLE ENGAGEMENT OUTCOMES

We invited children from low-income families to tell us what they would find most useful to receive during lockdown. This helped improve the design of our COVID-19 Emergency Grants programme.

We listened to children's experiences of lockdown in the UK and captured this in our *Future of Childhood* report. Their insights shaped our response to the pandemic and the report helped us advocate for children to be at the heart of the UK response to the crisis.

CHILDREN OVERSEAS

We engage both directly with children and through their families and communities. The Save the Children movement's international development and humanitarian programmes are managed by Save the Children International. With our support, it engages with children and communities on needs analysis and project design – for example, consulting with those caught up in an emergency to understand how it has affected them, and their priorities for recovery.

With our financial and technical support, Save the Children International follows its Accountability to Children and Communities Procedure, which states that children and communities must:

- have access to timely and relevant information about the organisation, its activities and the behaviour they can expect from staff
- have opportunities to participate in and inform decision-making
- be able to provide feedback and report any concerns they have.

EXAMPLE ENGAGEMENT OUTCOME

In 2021, 85% of the projects we supported made sure that children and communities had access to relevant information, were systematically consulted and could participate in decision-making – in line with the Core Humanitarian Standard on participation.

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GOVERNMENT AND MULTILATERAL DONORS, CORPORATE PARTNERS AND PHILANTHROPISTS

We engage with our government and multilateral donors through virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the World Bank annual and spring meetings.

We explore opportunities for collaboration with philanthropists and partners at meetings and group workshops. We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. We regularly seek input through our Vice-Presidents' Programme and Appeal Boards. We also host workshops to explore future opportunities and co-design programmes with our corporate partners.

EXAMPLE ENGAGEMENT OUTCOME

In 2021, we hosted a virtual round table to discuss opportunities to fund some of our education, protection and health programmes. We invited experts and our partners to give insights into proposed results-based finance projects, which may come to constitute a new and different way of funding our programmes.

OUR PEOPLE

We deeply value the expertise and views of our staff. We engage systematically with them so they can shape our strategy, our work and – critically – our culture. It's important that they feel a strong connection with the vision of Save the Children UK, and feel safe, happy and included at work.

Our leadership team regularly engages with our BAME, disabilities, gender, LGBTQI+ Allies and parental staff equalities networks on matters of culture and equality. It consults them about policies and supports their initiatives to improve culture and working practices at Save the Children UK. The networks have been instrumental in informing decision-making and driving change.

EXAMPLE ENGAGEMENT OUTCOMES

This year we continued to host a diverse staff advisory group to bring the voice of employees into organisational change projects. Our executive directors also work with our representative staff sounding-board to learn how decisions may affect staff according to their different needs and circumstances.

In 2021, we conducted four staff-engagement surveys to gather feedback on ways of working at Save the Children UK. Part of what we collected was demographic data to help us understand the ways in which different demographic groups might benefit from, or be disadvantaged by, future organisational decisions.

VOLUNTEERS AND PUBLIC SUPPORTERS

We have a close relationship with our volunteers. We engage with them frequently to ensure they have the support they need for a positive volunteering experience. We also want to understand their opinions so they can help shape our decisions. We have a volunteer website portal, share quarterly newsletters, and conduct an annual volunteer motivation and satisfaction survey.

We engage with our wider public supporters to share information and understand their opinions through quarterly surveys, market research, social listening and the monitoring of supporter calls. What we learn shapes our approach and the content of our communications.

EXAMPLE ENGAGEMENT OUTCOMES

Our volunteers are some of our core supporters. Their feedback informs the regional approach to our supporter engagement strategy. Our 2021 volunteer survey showed 96% of respondents were satisfied with their volunteering experience.

Supporters who completed our 2021 supporter survey responded to the statement 'I feel I am making a meaningful difference' with an average score of 8.3 out of 10, and gave us an 8.6 supporter satisfaction score.

SAVE THE CHILDREN GLOBAL MOVEMENT

We work closely with the rest of the Save the Children movement to help shape global strategic plans. And, in turn, we seek feedback on where we can add most value as a member.

We have two seats on the global Save the Children Board and our Chief Executive is a member of the Management Committee that provides strategic leadership. Functional groups such as the Global Policy, Advocacy and Campaigns Group, the Humanitarian Steering Group and Global Programme Directors help align specific areas of our work across the movement. Save the Children UK is very active in these groups: sharing best practice, learning from others and working together to strengthen the movement.

Our technical experts liaise closely with colleagues across the movement through thematic working groups. They consider new evidence and develop new guidance that is then applied by all members and country offices through Save the Children's 'Common Approaches'.

We engage with our country offices by listening to their views and supporting their Country Strategic Plans, which are based on country needs and priorities. Partnerships and funding opportunities, which are in line with these plans, inform our decision-making.

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OUR APPROACH TO PAY AND OVERHEADS

We are serious about being the best we can be for the world's children. Securing the right people to deliver our ambitions is key to our strategy. One of the many ways we do that is through our reward structure. We commit to paying staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

We are accredited by the Living Wage Foundation and committed to three key principles for pay:

- equality/fairness
- responsible financial management
- market competitiveness in line with the wider charity sector.

We will pay all staff a living wage of at least £11.05 per hour in London and £9.90 per hour in the rest of the UK, as of 31 March 2022. We tracked the Living Wage Foundation rates in 2021.

Financial constraints continued to restrict our approach to pay management last year. That is why we decided not to apply a workforce-wide pay award, although we did provide some discretionary increases to bring some staff closer to our median pay level.

We continued to top up the government-funded furlough scheme to maintain employee salaries at 100% until the scheme closed in April 2021. We extended special leave provisions for those with caring responsibilities during the second lockdown. And our family leave policies are generous for the sector.

We acknowledge that debates over pay – and executive salaries, in particular – are important and reflect genuine public concerns. We are committed to achieving the right balance between recognising these concerns while ensuring our salary levels help attract the talent we need to run an effective and efficient multinational organisation. The People Committee oversees our pay policy and decides on the salaries of our Chief Executive and executive directors (see page 51).

We publish our approach to pay, including details on our gender pay gap and ethnicity pay gap, in detail on our website. We have also signed the pledge to Show the Salary.

For further details on staff salary and pension costs, please see note 8, page 78 and note 25, page 94, in the financial statements.

EXECUTIVE DIRECTOR REMUNERATION IN 2021

The trustees delegate the day-to-day running of the organisation to the executive directors, who are considered the key management personnel. Compensation for all executive directors employed at Save the Children UK for the year ending 31 December 2021 are detailed here.

Our Chief Executive Officer is paid a full-time equivalent annual salary of £143,000. The pay ratio of our CEO's pay to the pay of our employees is as follows:

- Upper quartile (£50,000): 2.9:1 *(2.9:1 in 2020)*
- Median pay (£42,750): 3.3:1 *(3.4:1 in 2020)*
- Lower quartile (£35,000): 4.1:1 *(4.1:1 in 2020).*

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Position	Responsibility	Actual gross salary* 2021	Full-time equivalent annual salary	
			2021	2020
Chief Executive Officer Kevin Watkins (to 09/07/2021)	Provides overall leadership to the organisation, working with the board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£67,815	£143,000	£143,000
Chief Executive Officer Gwen Hines (from 15/07/2021, took on additional responsibilities from 01/06/2021)		£72,006	£143,000	–
Executive Director of Global Programmes Gwen Hines (to 01/06/2021)	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£54,000	£120,000	£120,000
Interim Executive Director of Global Programmes Adam Berthoud (from 21/06/2021)		£52,948	£105,000	–
Executive Director of Transformation Fiona Clark (to 31/12/2021)	Leads the delivery of our organisational strategy and our change programmes. Also supervises our technology, risk and legal teams.	£109,250	£127,778	£127,778
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy, campaigning and media work, encouraging decision-makers in the UK and around the world to deliver for children.	£113,000	£115,000	£112,000
Chief Financial Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children.	£115,000	£115,000	£115,000
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£109,250	£115,000	£115,000
Executive Director of People Pria Rai (from 25/03/2021)	Responsible for the recruitment, support and development of our team of 877 staff, and for initiatives to improve our people management capabilities and employee experience.	£92,308	£120,000	–

** Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of voluntary pay reductions taken for part of the reporting period following the onset of the pandemic, part-time hours and individuals joining / leaving Save the Children. In addition to the gross salary, £242,493 was paid for employer's national insurance, pension contributions, life insurance, redundancy, payment in lieu of notice and paid annual leave in respect of the above individuals. From 2020 we have included salaries of both interim executives and staff acting up into the role of executive director.*

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INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2021, as part of our policies governance mechanism, we reviewed and updated 25 internal policies, including our Safeguarding Policy and Code of Conduct. We rolled out a suite of new health and safety policies and launched our environmental sustainability and climate change policy (you can read more about what we're doing to tackle the effects of the climate crisis on page 26). We worked closely with our staff LGBTQI+ Allies network to develop a new trans inclusion policy.

Many of our policies – including on safeguarding, donations acceptance and refusal, and open information – are published on our website. You can find out more about our organisation's policies on the accountability page of our website.

MODERN SLAVERY STATEMENT

Over the course of 2021 we have continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting and publishing key policies; continuing to include modern slavery clauses in the contracts we make with other organisations to hold them to account; and testing and identifying areas in the charity's direct supply chain where there may be the risk of forced labour, human trafficking or other forms of modern slavery.

The charity is using funds and skills to work closely with Save the Children International primarily to identify, resolve and eliminate any modern slavery in the supply chain for the international work undertaken by Save the Children International. The charity has no cases of modern slavery to report in its supply chain during 2021. A spending freeze put in place by the charity in response to the COVID-19 situation, which has been in place since 2020, provides additional assurance that any new modern slavery risk in our supply chain would be unlikely to arise. The charity continues to publish its modern slavery statement on its website. For more information, see the Modern Slavery Statement on our website.

GENDER PAY GAP STATEMENT

Save the Children UK is committed to achieving gender equity in pay. Our values as an organisation demand women and men are equally rewarded in relation to their contribution, taking account of knowledge, skills and expertise. Through our programme, policy and campaigning work, we strive to support gender equity around the world. We are working towards ensuring that our organisation reflects the commitment to equity we demand of others.

Please see our latest *Gender Pay Gap* report for more information.

OUR GENDER PAY GAP IN 2021

In 2021, our staff was 73% female and 27% male. We saw a decrease in our gender pay gap, meaning while men are paid on average more than women, the extent of this has reduced.

- Our median gender pay gap as of 5 April 2021 was 5.0% (5.58% in 2019) – an improvement of 0.585 percentage points.
- Our mean gender pay gap as of 5 April 2021 was 7.61% (9.05% in 2020).
- The UK's overall national gender pay gap in 2021, as reported by the Office for National Statistics (ONS), was 15.4%, but 7.9% for full-time employees.
- We also benchmark our pay gaps against similar third sector organisations. A review of voluntary organisations in 2021 by XpertHR reports the typical mean pay gap to be 7.7%, almost exactly in line with our progress to date.

We are committed to removing the barriers that lead to our gender pay gap. We will always show a zero percentage for bonus payments, as we do not operate a bonus pay scheme.

For more information on our gender pay gap, please see the full 2021 Diversity and Inclusion report on our website.

ETHNICITY PAY GAP

We published our *Ethnicity Data and Pay Gap* report for the first time in October 2020. We're now committed to publishing our data every year, and to closing the gap.

- Our median ethnicity pay gap as of 5 April 2021 was 5.28%, a regression of 3.26 percentage points compared with 2020.
- Our mean ethnicity pay gap as of 5 April 2021 was 3.50%, an improvement of 0.88 percentage points.
- According to the ONS, the UK's overall national ethnicity pay gap in 2019 was 2.3%. But it recognised that pay gaps differ widely depending on the age and location of the employee. In London, it reported a 23.8% ethnicity pay gap.

The pay gap is partly the result of the underrepresentation of BAME staff, particularly among Save the Children UK's senior leadership teams. We have met our goal to make sure more than 25% of our Executive Leadership Team are made up of BAME staff, but we still need to increase BAME representation in our Corporate Senior Leadership Team.

The proportion of BAME staff at Save the Children UK is lower than the proportion of BAME people in London as a whole, where most of our staff live. These low numbers mean the pay gap is sensitive to leavers and new starters.

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We also break down our ethnic pay gap data by different ethnic groups, and according to various 'intersections' where identities such as gender and ethnicity overlap.

At this more granular level we have seen decreases in the pay gap across each of our ethnic groups. The mean gap for Black staff, for example, fell from 8.53% in June 2020 to 7.23% in April 2021. The significant gap between Black women and White men has also narrowed over the same period – from 23% to 18.6%, showing a clear downward trajectory.

The reduction in pay gaps can be attributed largely to the changes in our approach to recruitment. For example, managers responsible for recruitment are making sure salary offers are equitable.

But while the gap remains there is more to do. This year we established an equal pay working group to examine and decrease our gender and ethnicity pay gaps.

For more on how we're working to make Save the Children UK a more equitable organisation, please see our Diversity and Inclusion web page.

SAFEGUARDING

We remain committed to upholding the highest standards of safeguarding, tailoring our measures to reflect the environments in which we work. We are committed to safeguarding staff, the adults we work with and volunteers, while keeping the safeguarding of children our priority.

In 2021, building on our commitment to safeguarding all those we work with and encounter, we:

- robustly responded to existing and emerging safeguarding risks and issues, including COVID-19-specific safeguarding risks
- provided advice to other organisations to support and improve their emerging safeguarding frameworks
- completed the process of creating one overarching organisational Safeguarding Policy. An interim Safeguarding Strategy has also been developed to support the implementation of a 'whole-of-organisation' approach to safeguarding
- worked with other Save the Children members around the world to strengthen information sharing, safeguarding reporting and investigation best practice
- implemented safer staff recruitment and onboarding practices
- participated in a safeguarding review carried out by an independent safeguarding provider. The implementation of recommendations is ongoing
- initiated an external review of Save the Children UK reporting and response procedures to ensure that victims, survivors and witnesses of safeguarding concerns have accessible, safe and sensitive reporting channels, and receive adequate support.

For more information on our safeguarding activities, please see our Annual Trustee Risk Statement on page 44.

SAFEGUARDING INCIDENT REPORT 2021

Save the Children UK recognises the courage of survivors and victims of abuse in coming forward to report it. We thank all those who have helped us protect children and vulnerable people in the UK and abroad by reporting their concerns.

The safeguarding of children, adults in their communities, staff, volunteers, and anyone else who encounters our work is a top priority for the organisation.

Over the course of 2021, a total of 22 safeguarding concerns were reported to our Safeguarding team relating to our UK work. These were categorised as per our safeguarding policies and are broken down in the table below. Where appropriate, disciplinary action was taken, and referrals were made to statutory agencies. The majority of these concerns relate to the welfare and conduct of our adult volunteers in the UK.

In 2021, we received no safeguarding reports related to children or adults that we directly work with in the UK; the lack of reports is concerning and an area of focus for 2022. Safeguarding reports related to our UK-funded work overseas are captured separately in our Save the Children International Trustees' Report. We work closely with Save the Children International to ensure rigorous safeguarding systems are in place everywhere we work.

The table below provides a breakdown of the 22 safeguarding reports we received in 2021 according to various categories, and shows the reports we received in 2020 and 2019.

Category	2021	2020	2019
Staff conduct	2	7	1
Volunteer conduct	5	0	6
Welfare of children in the UK involved in Save the Children UK programme	0	0	16
Welfare of vulnerable people (adults) in the UK involved in Save the Children UK operations, including fundraising	1	4	4
Welfare of our staff and volunteers	14	10	1
Total	22	21	28

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We take all safeguarding reports seriously and investigate all allegations of abuse in accordance with our procedures. We are committed to taking a clear survivor-centred approach and offer support routinely to those affected.

Of the 22 reports received in 2021 related to our work in the UK:

- 15 reports did not meet the threshold for a safeguarding investigation (for example, on initial fact-finding, it was found that they did not relate to our work). Save the Children UK operates a 'no wrong door' approach, which means that we ensure reports are shared with the appropriate agency, even when they do not relate to our work. For example, in these cases, the Safeguarding team offered survivor support, signposted to specialist services, and recommended mitigations to reduce the risk of potential harm or further harm.
- Seven reports met the threshold for a safeguarding investigation. Of these, four investigations concluded that the concern was substantiated, and appropriate action was taken in accordance with our Volunteer Policy. Two investigations concluded that the concern was not substantiated, and one investigation is ongoing.

INTERNATIONAL PROGRAMMING

Our international programmes are delivered through Save the Children International. We work together to ensure the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its trustees' report.

FUNDRAISING COMPLIANCE

We comply with all relevant statutory regulations, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003 and the Telephone Preference Service. We strive for best practice in fundraising by complying with a range of codes of practice and standards. This includes being a member of the Institute of Fundraising and being registered with the Fundraising Regulator and adhering to its Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children can report a fundraising concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money, such as working with philanthropists and corporate supporters, through our chain of charity shops, via volunteer community fundraising groups, using advertising on TV and social media, through mass events such as Christmas Jumper Day, and by talking to our existing supporters. Our own internal team conducts much of this activity, but we also engage professional fundraising agencies to speak to existing supporters on the phone.

DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal policy ensures that we do not compromise on our mission and values when it comes to raising income. The policy is reviewed every two years and was last reviewed in 2020. The Donation Acceptance Committee considers potential high-risk donations to Save the Children UK (see page 51). In 2021 it turned down one opportunity because of concern the nutritional value of some of the potential donor's products conflicts with our work and values.

TREATING SUPPORTERS FAIRLY

We have continued to ensure that supporters and members of the public are afforded the highest levels of support, respect and protection. Guidance for fundraisers on treating our supporters fairly, including protecting supporters in vulnerable circumstances, is followed across all our fundraising activities, and we train our fundraising agencies in it. It is also a key consideration when we monitor our fundraising.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages 'professional fundraisers' (agencies) to undertake fundraising on our behalf through telephone fundraising. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising undertaken on our behalf is of the highest standard, is compliant with all relevant regulation and embodies Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of call monitoring, contract monitoring, regular meetings and training fundraisers on our expectations. We report our findings to our Audit Committee on a regular basis.

We also work with corporate partners who sell goods and donate a proportion of the proceeds to us. In 2021, this included:

- WOLF, which raised funds for Save the Children UK through its online platform and on its gaming app, raising £55,000
- Penguin, which donated 10% of the recommended price of the children's book *Peppa's Muddy Puddle Walk*, published by Ladybird
- Wonderbly, which gave £1 or $1 from each sale of its new personalised children's books *First Christmas for You* and *Christmas for You* to our Protect the Magic campaign, raising £10,000
- Kate Moss Studio, which donated £5 from the sale of each t-shirt and hoodie sold in its Butterfly Collection.

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RAISING A CONCERN OR MAKING A COMPLAINT

We know there are times when we do not meet the high standards we set ourselves as an organisation. When this happens, we ensure the problem is investigated and steps are taken to prevent it happening again.

We are continuously improving our fundraising and marketing practices, ensuring our supporters are at the heart of decisions about our fundraising. Nevertheless, we do receive complaints.

We classify a 'complaint' as an expression of dissatisfaction in a specific aspect of our activities, addressed directly to us via email, letter, telephone or instant-messaging services.

In 2021 our supporter-facing teams received 269 public complaints. This is a 29% decrease from 2020 (380). The majority of these complaints related to administrative errors when processing fundraising donations (136). In almost every instance, these errors were quickly remedied and donors were satisfied with our swift response. Nevertheless, sustained efforts are being made to improve the procedures and systems used to process donations.

No complaints were investigated by the Fundraising Regulator.

Save the Children UK will continue to take a principled stand on important issues affecting children, which may generate complaints when the issues are complex and controversial. Complaint rates about our work will therefore inevitably vary from year to year. It is vital we engage and build understanding with people who disagree with us.

The below graphic provides a breakdown of complaints by thematic area.

Breakdown of public complaints received in 2021	
Fundraising (gift administration)	136
Fundraising (methodology and solicitation)	73
Governance, strategy and policy	22
Trading	14
Advocacy and campaigns	22
Our work	2
Total complaints	**269**

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Regulator's complaints-reporting guidelines, Save the Children UK is committed to fair, honest and open fundraising practice. For further details on our complaints procedure, please see our website.

SAVE THE CHILDREN IN SCOTLAND

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Save the Children's activities during 2021 addressed issues faced by children in Scotland, as well contributing to the global aims of Save the Children.

SUPPORTING FAMILIES

Our Families Connect programme helps parents play with their children, aged three to six, in a way that boosts their children's learning and accelerates their social and emotional development.

With support from the Scottish government, we trained 87 facilitators across 18 local authorities and supported 37 schools and nurseries to deliver the programme.

We brought Families Connect facilitators together in a new network to share practice, and understand what works well and what could be improved in delivering the programme. And we piloted a new approach to improve parental engagement – working with a whole school or nursery, instead of running Families Connect one class at a time.

In partnership with Play Scotland, with funding from the Scottish government, and support from the STV Children's Appeal and the Beano, we helped children play and reconnect after lockdown. As part of this 'Get into Summer' programme, we developed and distributed 46,000 outdoor play packs. We also provided a thousand 'Play Well' outdoor activity bags to ensure children and families had the toys, games – and ideas – they needed to participate in and enjoy outdoor play.

We helped families with young children cope with financial pressures and challenges. We gave them support grants worth up to £340 so they could pay for food and other household essentials, children's clothes, and toys. In 2021, we supported 721 families and 1,415 children – 67% of whom are on Universal Credit.

CHALLENGING POVERTY

We worked with families in Scotland to ensure their voices and experiences were at the centre of challenging poverty. They helped us campaign for every family's right to have an adequate and reliable income.

As part of the End Child Poverty Campaign, we helped persuade the Scottish government to double the Scottish Child Payment to £20 per week from April 2022. This will provide much-needed extra income for hundreds of thousands of children and their families across Scotland. It is a great step forward towards a sustainable reduction in child poverty.

In a significant piece of research, *Dropped into a Cave*, we shared the voices and experiences of parents living on low incomes during the COVID-19 pandemic. Parents told us

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how the crisis caused or increased their financial difficulties, and how the loss of face-to-face support and informal social networks was as significant as their money worries.

The report set out the key actions needed to protect family incomes and ensure all families can access holistic practical, emotional and financial support. It helped us to engage effectively and powerfully with the newly elected Scottish Parliament.

We worked with parents to understand and share their views on the actions needed to tackle child poverty. We then sent a report to the Scottish government, to help shape its priorities for the forthcoming Child Poverty Delivery Plan 2022–26. This research will be a key pillar of future engagement with the Scottish government, and our own policy development and advocacy work in 2022.

SUPPORTING COMMUNITIES

We supported children and families to shape the support, services and spaces that improve their communities, through Children's Places – a community-engagement programme we developed in partnership with the STV Children's Appeal. In an excellent example of community-driven change, we supported a community group in Glenburn, Renfrewshire, to open a new play park. The group secured funding from Renfrewshire Council.

In South Lanarkshire, we helped a community group consult with children on a new sensory garden in the local park. The children's feedback informed the garden's design, including a rainbow pathway, musical instruments and an orchard.

FUNDRAISING TO DELIVER OUR WORK

We're grateful to a wide range of funders who made our work in Scotland possible during 2021. This includes the Scottish government, the STV Children's Appeal and individual donors. We also benefitted from partnerships with the likes of wilko, Morgan Stanley and GSK, who support our work across the UK. Our six-year partnership with Hearts Football Club came to an end this year.

OUR GLOBAL ROLE

In 2021, we worked with the Disasters and Emergency Committee Scotland to launch the crisis appeal for Afghanistan. We also worked closely with the Scottish media to raise awareness of global emergencies, such as the conflict in Yemen and the emergency in Afghanistan. And we continued to be an active member of the Scottish government's Humanitarian Emergencies Fund panel.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4–62 was approved by the Board of Trustees on 24th August 2022.

DocuSigned by:



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Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK
26th August 2022

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE SAVE THE CHILDREN FUND

OPINION

We have audited the financial statements of the Save the Children Fund ("the charitable company") for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, legacy income, and charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate

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accounting entries, and the risk of bias in accounting estimates and judgments such as pension assumptions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations;
- Using data analytics procedures to test donations income by identifying unusual postings for additional investigation;
- Agreeing a sample of legacy income transactions back to relevant legal documents; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy
- Assessing significant accounting estimates, such as pension assumptions, for bias.

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

OTHER INFORMATION

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 66, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

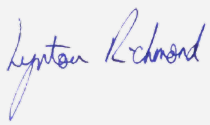
AUDITOR'S RESPONSIBILITIES

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

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

Date: 30 August 2022

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STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2021 £000**	Total funds year to 31/12/2020 £000
Income and endowments from:					
Donations and legacies	2	65,235	19,177	**84,412**	88,443
Charitable activities	3	–	144,994	**144,994**	188,924
Other trading activities	4	7,064	–	**7,064**	6,585
Investments	5	496	–	**496**	760
Other	6	3,341	102	**3,443**	4,018
Total income		76,136	164,273	**240,409**	288,730
Expenditure on:					
Raising funds					
Raising donations and legacies	7	21,917	1,363	**23,280**	20,655
Other trading activities	7	7,490	21	**7,511**	7,833
Investment management costs	7	145	–	**145**	93
Total raising funds		29,552	1,384	**30,936**	28,581
Charitable activities					
Nutrition	7	3,062	14,682	**17,744**	20,188
Livelihoods	7	3,826	19,386	**23,212**	37,604
Health	7	5,034	26,242	**31,276**	42,501
Protection and rights	7	1,591	8,752	**10,343**	11,150
Education	7	7,902	37,331	**45,233**	43,654
Rapid onset emergencies	7	13,224	51,192	**64,416**	85,725
Advocacy and awareness	7	7,115	3,216	**10,331**	11,296
Total charitable activities		41,754	160,801	**202,555**	252,118
Other	7	2,430	7	**2,437**	2,462
Total expenditure		73,736	162,192	**235,928**	283,161
Net gains on investments	13	2,207	634	**2,841**	998
Movement on share of associate's surplus	14	83	–	**83**	24
Net income		4,690	2,715	**7,405**	6,591
Transfers between funds	21	(342)	342	**–**	–
Actuarial loss on defined benefit pension scheme	25	(1,544)	–	**(1,544)**	(5,829)
Net movement in funds		2,804	3,057	**5,861**	762
Fund balances brought forward		42,139	16,477	**58,616**	57,854
Fund balances carried forward	21	44,943	19,534	**64,477**	58,616

All gains and losses recognised in the year are included above. All activities relate to continuing operations.

The restricted fund balances carried forward include £5,499,000 (2020: £4,865,000), which relates to endowment funds.

There were no new endowments in the year and there were gains in the funds in the current year of £634,000 (2020: £203,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2021

	Notes	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Fixed assets					
Intangible assets	11	**404**	888	**404**	888
Tangible assets	12	**1,607**	1,894	**1,607**	1,894
Investments	13	**40,773**	37,932	**41,048**	38,207
Associates	14b	**674**	591	**–**	–
		43,458	41,305	**43,059**	40,989
Current assets					
Stocks	15	**472**	1,395	**373**	1,282
Grant debtors	16a	**18,582**	24,968	**18,065**	21,906
Other debtors	16b	**27,941**	36,694	**27,531**	36,413
Short-term deposits		**39,970**	23,872	**39,970**	23,872
Cash at bank and in hand		**4,030**	20,544	**3,868**	20,278
		90,995	107,473	**89,807**	103,751
Creditors: amounts falling due within one year	17a	**(62,277)**	(78,650)	**(64,366)**	(78,731)
Net current assets		**28,718**	28,823	**25,441**	25,020
Total assets less current liabilities		**72,176**	70,128	**68,500**	66,009
Creditors: amounts falling due after more than one year	17b	**(1,028)**	(1,207)	**(1,028)**	(1,207)
Provisions for liabilities	18	**(6,551)**	(7,548)	**(6,461)**	(6,728)
Net assets excluding pension liability		**64,597**	61,373	**61,011**	58,074
Defined benefit pension scheme liability	25	**(120)**	(2,757)	**(120)**	(2,757)
Total net assets		**64,477**	58,616	**60,891**	55,317
Unrestricted funds					
General reserve	21	**33,122**	34,143	**33,122**	34,148
Revaluation reserve	21	**5,882**	4,350	**5,882**	4,350
Designated funds	21	**6,059**	6,403	**2,904**	3,621
Total unrestricted funds excluding pension reserve		**45,063**	44,896	**41,908**	42,119
Pension reserve	25	**(120)**	(2,757)	**(120)**	(2,757)
Total unrestricted funds		**44,943**	42,139	**41,788**	39,362
All restricted and endowed funds					
Restricted income funds	22	**14,035**	11,612	**13,604**	11,090
Endowment funds	23	**5,499**	4,865	**5,499**	4,865
Total restricted funds		**19,534**	16,477	**19,103**	15,955
Total funds		**64,477**	58,616	**60,891**	55,317

The accompanying notes are an integral part of these consolidated and charity balance sheets.

The financial statements on pages 67 to 101 were approved by the Board of Trustees on 24th August 2022 and signed on their behalf by the Chair and Honorary Treasurer on 26th August 2022.

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Dr Tsitsi Chawatama-Kwambana – Chair

DocuSigned by:
Richard Winter
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Richard Winter CBE – Honorary Treasurer

Company Number: 178159

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Net cash flows from operating activities	(a)	**(614)**	(5,228)
Cash flows from investing activities			
Bank interest received	5	**15**	209
Dividends received	5	**481**	551
Purchase of tangible fixed assets	12	**(215)**	(51)
Purchase of investments	13	**(4,106)**	(9,321)
Proceeds from sale of investments	13	**4,897**	8,524
Net cash movement in investments	13	**(791)**	106
Investment in associate	14b	**(83)**	(24)
Net cash used in investing activities		**198**	(6)
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	**(416)**	(5,234)
Cash and cash equivalents at the beginning of the year		**44,416**	49,650
Cash and cash equivalents at the end of the year		**44,000**	44,416

The accompanying notes are an integral part of this consolidated cash flow statement.

NOTES TO THE CASH FLOW STATEMENT	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
(a) Reconciliation of net income to net cash flow from operating activities		
Net income	**7,405**	6,591
Investment income	**(496)**	(760)
Gains on investments	**(2,841)**	(998)
Adjustment for pension funding	**183**	242
Payments to defined benefit pension scheme	**(4,364)**	(3,939)
Net loss on disposal of fixed assets	**20**	8
Depreciation charge	**482**	582
Amortisation charge	**315**	765
Impairment charge	**169**	–
Decrease/(increase) in stocks	**923**	(127)
Decrease/(increase) in debtors	**15,139**	(7,290)
(Decrease)/increase in creditors falling due within one year	**(16,373)**	2,796
Decrease in creditors falling due in more than one year	**(179)**	(1,948)
Decrease in provisions	**(997)**	(1,150)
Net cash flows from operating activities	**(614)**	(5,228)

(b) Analysis of cash and cash equivalents	At 01/01/2021 £000	Cash flow £000	**At 31/12/2021 £000**
Cash at bank and in hand	20,544	(16,514)	**4,030**
Short-term deposits	23,872	16,098	**39,970**
	44,416	(416)	**44,000**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION
The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' published in October 2019, and applicable United Kingdom law and accounting standards.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The group meets the definition of a public benefit entity under FRS 102. See page 52 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared on a going concern basis. The trustees have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements ("the going concern period"). These forecasts considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. These forecasts assume that there will be no further lockdowns, but that there will be increased pressures on the economy, in particular higher inflation increasing costs. Our planning process, including financial and cashflow projections, has taken into consideration the current and forecasted economic climate and its potential impact on our various sources of income and planned expenditure. Under alternate scenarios we expect to be able to match potential shortfalls of income with a reduction in costs. But if this is not possible, we hold general reserves to provide cover for unexpected changes in income and expenditure to allow us time to adjust our cost base and continue activities. We continually monitor our actual and forecasted financial performance and manage our finances accordingly. Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, Save the Children (Sales) Limited, Medical Emergency Relief International (Merlin), Humanitarian Leadership Academy (Enterprises) Limited, Humanitarian Leadership Academy and Elrha. The results of these subsidiaries are consolidated on a line-by-line basis.

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme related investment as this investment is made directly in pursuit of SCUK's charitable purposes. Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside of the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

Save the Children UK has treated the William Belmer Rush Foundation as an associate owing to the significant influence exerted over its financial and operating policies, and has accounted for the Foundation in the group financial statements on a net equity basis. The consolidated SOFA includes the group's share of the associate's surplus or deficit.

The charity has availed itself of Paragraph 4 (1) of Schedule 1 to the Accounting Regulations and has adapted the Companies Act formats to reflect the special nature of the charity's activities.

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. Only income and expenditure on awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised. Start Network continues to work with Save the Children UK to bring on additional grant custodians.

(B) COMPANY STATUS
The charity is a company limited by guarantee. The members of the company are the trustees named on page 49. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING
General funds
General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and that have not been designated for other purposes.

Designated funds
Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 21.

Pension reserve
Unrestricted funds include a pension reserve adjustment to match the pension deficit, in line with FRS 102 section 28: Employee Benefits.

Restricted funds
Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are

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1. ACCOUNTING POLICIES (CONTINUED)

charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in the notes to the financial statements.

Endowment funds
Endowment funds represent assets received that may not be exhausted. Only the income may be expended. Net investment gains and losses are recognised against the relevant endowment fund.

Investment income and gains are allocated to the appropriate fund.

(D) INCOME

All incoming resources are included in the SOFA when Save the Children UK is entitled to the income, when receipt of funds is probable, and when the amount can be measured with sufficient reliability.

Donations and legacies
Donations
Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivering certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Legacies
Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement.

Reversionary interests involving a life tenant are not recognised until we are notified that the prior interest has ended.

Gifts in kind
Gifts for onward distribution
Gifts in kind donated for distribution are included at fair value and are recognised as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include food, clothing and medical supplies.

Gifts for resale
Gifts in kind donated for resale are recognised within retail income when they are sold.

Donated facilities and support
Gifts in kind also include campaigning and fundraising goods and services, all recognised when received or performed. These have been valued by officers of Save the Children UK either at market value or, where a market value is not available, based on appropriate estimates.

Volunteers
Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community fundraisers and ambassadors. However in accordance with the SORP, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities
Grants from governments, agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

For payment by results contracts, where it has been agreed with the donor that we can retain the surplus, with no restrictions on how these are utilized, these have been reflected as a transfer between restricted and unrestricted funds.

Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where Save the Children UK is required to pre-finance projects.

Other trading activities
Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax.

Lottery income is proceeds from lotteries held by the People's Postcode Lottery (PPL). SCUK has no ability to alter the price of the tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as principal. Net proceeds due to SCUK are recognised under other trading activities in the statement of financial activities and analysed in note 4b. From 2021 the way we receive funding from PPL has changed. Instead of receiving lottery proceeds, funding is received as a grant and therefore is recognised as donation income within major donors and trusts in note 2a.

(E) EXPENDITURE

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income, running our retail operations and managing our investments and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated

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1. ACCOUNTING POLICIES (CONTINUED)

support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

Support costs, such as general management, governance, human resources, financial management, programme support, information systems and premises costs are allocated across the categories of charitable activities and costs of raising funds. The basis of the cost allocation has been explained in the notes to the accounts.

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

All expenditure of a capital nature on relief and development work overseas is expensed as incurred, as are items of expenditure in the UK under £5,000. However, for leasehold property improvements where individual costs are below the stated capitalisation threshold but collective costs are above £5,000 these are capitalised at the time of purchase.

Fixed assets are capitalised at cost, which, for gifts of property, is taken as the value accepted for stamp duty purposes on transfer.

Depreciation is provided from the time assets are available for use at rates calculated to write off the costs on a straight-line basis over their expected useful economic lives, as follows:

Freehold properties	50 years
Leasehold property improvements – headquarters	Lease period
Other leasehold property improvements	Shorter of 10 years and lease period
Computer equipment	5 years

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains or losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries and programme related investments are included in the balance sheet at their historical cost (ie, the fair value of the consideration given by the company) less, where appropriate, impairment provisions for any permanent decrease in value.

(I) STOCKS

Stocks are valued at cost less an allowance for obsolescence. Undistributed gifts in kind are recognised on the balance sheet as stocks at the fair value of those gifts at the time of receipt.

(J) PENSION COSTS

For defined benefit schemes, the amounts charged in expenditure are the costs arising from employees' services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments and the expenses of running the scheme. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within finance costs or credits similar to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in actuarial gains/losses on defined benefit pension schemes in the SOFA.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities (iBoxx Corporate AA 15+ years index), but a reduction in the rate has been made to take into account the duration of the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. A pension liability, if applicable, is presented separately after net assets on the face of the balance sheet. A pension asset, if applicable, is only recognised if recoverable by Save the Children.

The charity contributes to a defined benefit scheme, which was closed to new entrants on 14 June 2002.

For defined contribution schemes, the amount charged to the statement of financial activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer

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1. ACCOUNTING POLICIES (CONTINUED)

scheme as it is not possible to separately identify the assets and liabilities of participating employees. The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

The charity contributes to a defined contribution pension plan operated by Legal & General. The assets of the scheme are held separately from those of the charity. The contribution payments are charged to the SOFA.

(K) FINANCE AND OPERATING LEASES

Instalments on operating lease contracts are charged to the SOFA on a straight-line basis over the life of the lease. The group does not have assets under finance leases.

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date into the accounts presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Appropriate action is taken to mitigate foreign exchange risk. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable.

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2020: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2020: Nil).

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

(O) FINANCIAL INSTRUMENTS

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.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group 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.

(P) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

Revenue recognition

Due to the range and complexity of the group's funding streams, revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in accounting policy 1d. The recognition and valuation of legacy income also requires significant judgement – see note 1d for further details.

Pension liability

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages, mortality rates, and the calculation of pension increases. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of changes in these assumptions. The group engages other professional advisors where appropriate.

Provisions

Provisions such as the dilapidations and bad debt involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.

Cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. The bases used are outlined in note 7e.

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2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
(a) Donations and gifts				
Individuals – regular giving	32,509	697	**33,206**	33,714
Individuals – one-off donations, appeals and events	9,572	3,258	**12,830**	14,360
Trusts and major donors	2,901	5,807	**8,708**	7,164
Corporate fundraising	1,159	1,368	**2,527**	4,901
Institutional donors	–	3,912	**3,912**	7,731
	46,141	15,042	**61,183**	67,870
(b) Gifts in kind by type				
Gifts in kind for distribution	–	2,921	**2,921**	2,929
Headquarters professional services	–	617	**617**	289
Fundraising	–	312	**312**	27
	–	3,850	**3,850**	3,245
(c) Legacies				
Legacies[1]	19,094	285	**19,379**	17,328
Total donations and legacies	65,235	19,177	**84,412**	88,443

[1] The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, whether because probate has not yet been obtained, or on grounds of insufficient probability, was £3 million (2020: £3.3 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2021 restricted £000	Year to 31/12/2020 restricted £000
Performance-related grants		
UK central government	**38,586**	62,858
Irish government	**5,287**	3,291
Other national governments	**12,470**	10,507
UK local and regional government	**840**	753
European Commission (including European Community Humanitarian Aid Office)	**8,878**	8,772
Disasters Emergency Committee	**4,621**	4,547
Education Cannot Wait	**8,393**	12,992
United Nations	**22,851**	34,567
World Bank	**15,816**	3,263
Total government and multilateral organisations	**117,742**	141,550
Comic Relief	**490**	486
Bill & Melinda Gates Foundation	**2,895**	2,554
Corporate partners	**12,892**	17,200
Trusts	**3,934**	19,989
Other	**7,041**	7,145
Total income from charitable activities	**144,994**	188,924

Corporate partners includes £2,660,000 from IKEA Foundation for Start Network.

Income from charitable activities relates to income from performance-related grants that are used to further our charitable objectives across our thematic areas.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	**Total year to 31/12/2021 £000**	Total year to 31/12/2020 £000
Retail income (see note 4a)	7,064	–	**7,064**	3,992
Lottery income (see note 4b)	–	–	**–**	2,593
Total trading income	7,064	–	**7,064**	6,585

(a) Retail income and costs	Charity £000	Save the Children (Sales) Ltd £000	**Total year to 31/12/2021 £000**	Total year to 31/12/2020 £000
Retail income	6,634	430	**7,064**	3,992
Cost of sales	–	(206)	**(206)**	(181)
Direct expenses	(7,085)	(234)	**(7,319)**	(7,681)
Total expenses	(7,085)	(440)	**(7,525)**	(7,862)
Deficit	(451)	(10)	**(461)**	(3,870)

Additional net income was raised in relation to shops which is recognised elsewhere and includes £418,000 (2020: £463,000) of donations raised in shops, and £20,000 (2020: £20,000) of property income, totalling £438,000 (2020: £483,000). Our 2021 retail income includes £1,582,000 (2020: £905,000) received from UK government and devolved nations COVID-19 support scheme grants.

(b) Lottery income

The funding from the People's Postcode Lottery (PPL) changed in 2021 and has therefore been recognised as donation income in the current year. Income recognised within donations from PPL in 2021 is £2.6 million. During 2020 Save the Children UK received net proceeds of lotteries held by the People's Postcode Lottery. As noted in the accounting policy in note 1d, the net proceeds are recognised as income, which are determined as follows:

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Ticket value	**–**	8,104
Prize fund	**–**	(3,237)
Management fee	**–**	(2,274)
Net proceeds	**–**	2,593

5. INVESTMENT INCOME

	Year to 31/12/2021 unrestricted £000	Year to 31/12/2020 unrestricted £000
Dividends on investments listed on a recognised stock exchange	**481**	551
Interest on bank deposits and other investments	**15**	209
	496	760

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Rental income	2,410	–	**2,410**	2,214
Other income	931	102	**1,033**	1,804
	3,341	102	**3,443**	4,018

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7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly: Staff costs (note 8) £000	Activities undertaken directly: Other direct costs £000	Activities undertaken directly: Gifts in kind £000	Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Expenditure on raising donations and legacies (note 7d)	37	9,944	8,906	1,053	3,340	–	**23,280**	20,655
Expenditure on other trading activities	–	2,407	4,344	–	760	–	**7,511**	7,833
Investment management costs	–	–	134	–	11	–	**145**	93
	37	12,351	13,384	1,053	4,111	–	**30,936**	28,581
Charitable activities								
Nutrition	13,256	295	133	1,285	1,265	1,510	**17,744**	20,188
Livelihoods	18,631	623	324	–	1,678	1,956	**23,212**	37,604
Health	24,761	634	448	527	2,242	2,664	**31,276**	42,501
Protection and rights	8,283	172	194	84	738	872	**10,343**	11,150
Education	34,646	1,928	1,449	69	3,335	3,806	**45,233**	43,654
Rapid onset emergencies	38,636	8,191	8,386	96	4,434	4,673	**64,416**	85,725
	138,213	11,843	10,934	2,061	13,692	15,481	**192,224**	240,822
Advocacy and awareness (note 7c)	588	5,153	1,967	–	1,853	770	**10,331**	11,296
Total charitable activities	138,801	16,996	12,901	2,061	15,545	16,251	**202,555**	252,118
Support costs	573	17,214	17,690	589	(19,815)	(16,251)	**–**	–
Other expenditure[1]	–	–	2,278	–	159	–	**2,437**	2,462
Total expenditure	139,411	46,561	46,253	3,703	–	–	**235,928**	283,161
Prior year	187,776	47,674	44,517	3,194	–	–	**283,161**	

[1] Costs relating to the sub-let of certain floors of the headquarters building at St John's Lane have been identified as a separate activity of the group.

(b) Grant funding of activities

During the year ended 31 December 2021, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at https://www.savethechildren.org.uk/content/dam/global/reports/2021-grant-list.pdf.

(c) Save the Children's advocacy and awareness activities

These have several objectives, including:

- informing our supporters and the wider public about the reality of children's lives throughout the world, based on our experience in many countries
- influencing key decision-makers on social and economic policies affecting children, drawing evidence for our advocacy and campaigning work directly from our global programmes
- educating children and young people in the UK by bringing global perspectives to the curriculum and promoting the UN Convention on the Rights of the Child.

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change through mobilising millions of people around the world to show they care, and demand others fulfil their responsibilities.

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7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Mass fundraising (including legacies)	**19,403**	17,172
Trusts and major donors	**1,303**	1,384
Corporate fundraising	**2,574**	2,099
	23,280	20,655

(e) The support costs and the basis of their allocation were as follows:

Support costs include the cost of providing key organisational support in the areas of general and financial management, human resources and information technology. In addition, this includes costs incurred directly to design and monitor our programmes, and the costs incurred by SCI to deliver our international portfolio.

Management and administration costs	Basis of apportionment	Year to 31/12/2021 £000	Year to 31/12/2020 £000
General management	Pro-rata by expenditure	**2,223**	2,806
Governance	Pro-rata by expenditure	**1,317**	1,076
Human resources	Pro-rata by salary costs	**2,614**	2,884
Financial management	Pro-rata by expenditure	**2,953**	3,000
Premises and facilities	Pro-rata by building usage	**3,893**	3,306
Technology	Pro-rata by expenditure	**6,080**	6,056
Gifts in kind (pro-bono professional services)	Pro-rata by expenditure	**589**	206
Losses/(gains) on foreign exchange	Pro-rata by expenditure	**142**	(191)
Defined benefit pension scheme costs[1]	Pro-rata by expenditure	**4**	22
		19,815	19,165
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	**3,094**	3,114
Programme support	Pro-rata by charitable expenditure	**6,682**	6,306
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	**3,606**	4,703
		13,382	14,123
Additional contributions			
Contribution to growth of other Save the Children members	Pro-rata by charitable expenditure	**250**	628
SCI strategic investment funding	Pro-rata by charitable expenditure	**2,619**	2,750
		2,869	3,378
Total programme support		**16,251**	17,501
Total support costs		**36,066**	36,666
Financed by unrestricted funds		**27,861**	25,702
Charged to restricted awards		**1,493**	1,240
Indirect cost recovery[2]		**6,712**	9,724
		36,066	36,666

[1] This is the net interest cost on the pension schemes, see note 25 for more details.

[2] Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

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7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

Group auditor's remuneration	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Audit of charity	**143**	134
Audit of subsidiaries	**43**	34
Total audit	**186**	168
Audit related assurance services	**2**	2
Total assurance services	**2**	2
Other non-audit services	**–**	–
Total non-audit services	**–**	–
Total fees	**188**	170

Lease rentals: land and buildings	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Retail	**2,376**	2,373
Programme offices	**168**	213
Headquarters	**4,505**	3,946
	7,049	6,532

Ex-gratia payments
There were no ex-gratia payments made in the reporting period (2020: nil).

8. STAFF COSTS

(a)

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Wages and salaries	**38,035**	38,883
National Insurance	**4,204**	4,241
Pension costs defined contribution scheme	**2,117**	2,154
Pension costs defined benefit scheme	**179**	220
Other staff costs	**2,026**	2,176
	46,561	47,674

Staff costs are shown inclusive of all amounts directly funded by donors through programme awards.

Included within staff costs is £376,240 (2020: £269,685) of termination costs.

(b) The average number of employees calculated on a full-time equivalent basis, analysed by function, was:

	Average headcount		Average FTE headcount	
	Year to 31/12/2021 number	Year to 31/12/2020 number	**Year to 31/12/2021 number**	Year to 31/12/2020 number
Charitable activities	**607**	636	**588**	619
Raising funds	**297**	289	**292**	283
	904	925	**880**	902

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8. STAFF COSTS (CONTINUED)

(c) At 31 December 2021, the number of staff was as follows:

	Headcount[1] number	Headcount equivalent[2] number
UK HQ	703	686
UK non-HQ	161	154
International	13	13
	877	853

[1] Headcount is defined as the number of roles filled by employees.
[2] Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

(d) The following number of employees (including those on short-term contracts) earned emoluments within the bands shown below.

Emoluments include salaries, fees, amounts in lieu of notice, compensation or redundancy payments, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax) and the estimated money value of any other benefits received otherwise than in cash, and exclude employer pension costs.

	Year to 31/12/2021 number	Year to 31/12/2020 number
£60,001–£70,000	**34**	40
£70,001–£80,000	**13**	15
£80,001–£90,000	**5**	7
£90,001–£100,000	**3**	1
£100,001–£110,000	**1**	2
£110,001–£120,000	**2**	2
£120,001–£130,000	**2**	1
£130,001–£140,000	**–**	1
£170,001–£180,000[1]	**1**	–
	61	69

[1] Salary costs include redundancy payments for a member of staff leaving Save the Children.

(e) 2021 Executive Director remuneration

The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2021 was £1,028,071 (2020: £951,910). A detailed breakdown by executive director is included on page 57 of this report.

9. TRUSTEES' REMUNERATION

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services.

Out-of-pocket expenses were reimbursed to trustees or paid directly on their behalf as follows:

	Year to 31/12/2021 number of trustees	Year to 31/12/2020 number of trustees	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Expenses including travel and subsistence	**–**	–	**–**	–

Trustees received no remuneration or direct expenses for volunteering their time.
Save the Children has purchased indemnity insurance at a cost of £28,000 (2020: £22,400) that provides cover:
(i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
(ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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10. RELATED PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

As well as donating their time and expertise during 2021, the trustees made unconditional donations of £154,735 (2020: £64,181) to the charity.

Save the Children UK contributes to a defined benefit funded pension scheme administered by The Pensions Trust. For details of transactions with The Pensions Trust in the year, please see note 25.

Anne Fahy is a member of the Save the Children UK Board and is also on the Board of Save the Children International. Dr Tsitsi Chawatama-Kwambana, Chair of the Save the Children UK Board, joined the Board of Save the Children International on 1 April 2022.

Transactions with Save the Children International in the year are detailed below:

Income and expenditure items	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Funds transferred for programme delivery	**107,976**	134,719
Country operating costs	**2,815**	3,388
Central and regional operating costs	**3,606**	4,703
Core contributions	**3,094**	3,114
Member growth	**250**	628
Strategic investment funding	**2,619**	2,750
Quality Impact Fund	**1,563**	1,527
Reimbursements	**(1)**	14
	121,922	150,843

Balance sheet items	**As at 31/12/2021 £000**	As at 31/12/2020 £000
Prepayment for programme activity	**4,001**	17,625
Cost of services incurred by (SCI)/Save the Children UK to be settled in the future	**(289)**	73
Programme-related investment	**955**	955

11. INTANGIBLE FIXED ASSETS

Group and charity	Computer software £000	Assets under construction £000	**Total £000**
Cost at 1 January 2021	12,592	285	**12,877**
Cost at 31 December 2021	12,592	285	**12,877**
Accumulated amortisation at 1 January 2021	11,989	–	**11,989**
Charge for the year	315	–	**315**
Impairment	–	169	**169**
Accumulated amortisation at 31 December 2021	12,304	169	**12,473**
Net book value at 31 December 2021	**288**	**116**	**404**
Net book value at 31 December 2020	603	285	888

Assets under construction relate to software systems that are not yet complete. Expenditure on these assets is capitalised as incurred but no amortisation is charged until the asset is available for use, at which point a rate appropriate to the useful economic life of the asset will be applied.

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12. TANGIBLE FIXED ASSETS

(a) Group and charity

	Freehold property £000	Leasehold property improvements £000	Computer equipment £000	**Total £000**
Cost at 1 January 2021	1,210	6,501	64	**7,775**
Additions	–	215	–	**215**
Disposals	–	(94)	–	**(94)**
Cost at 31 December 2021	1,210	6,622	64	**7,896**
Accumulated depreciation at 1 January 2021	595	5,231	55	**5,881**
Charge for the year	38	436	8	**482**
Disposals	–	(74)	–	**(74)**
Accumulated depreciation at 31 December 2021	633	5,593	63	**6,289**
Net book value at 31 December 2021	**577**	**1,029**	**1**	**1,607**
Net book value at 31 December 2020	615	1,270	9	1,894

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2020: £nil).

13. INVESTMENTS

	Notes	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Fixed asset investments	13a	**39,818**	36,977	**39,818**	36,977
Investment in SCI		**955**	955	**955**	955
Investment in subsidiary	13b	**–**	–	**275**	275
Total investments		**40,773**	37,932	**41,048**	38,207

(a) Fixed asset investments	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Market value at start of year	**36,977**	35,288	**36,977**	35,288
Acquisitions	**4,106**	9,321	**4,106**	9,321
Sales proceeds	**(4,897)**	(8,524)	**(4,897)**	(8,524)
Net movement in cash balances	**791**	(106)	**791**	(106)
Net realised investment gains	**869**	1,218	**869**	1,218
Net unrealised investment gain/(loss)	**1,972**	(220)	**1,972**	(220)
Market value at end of year	**39,818**	36,977	**39,818**	36,977

The market value is represented by:	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Equities and commodities	**21,015**	19,002	**21,015**	19,002
Bonds	**2,536**	2,515	**2,536**	2,515
Cash and cash equivalents	**16,267**	15,460	**16,267**	15,460
	39,818	36,977	**39,818**	36,977

Save the Children UK's investment managers have discretion to manage the investment portfolio within an agreed risk profile and in accordance with our ethical policy. The mix of investments and the balance of risk and liquidity is reviewed in the light of Save the Children UK's long-term financial plans.

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14.

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14. GROUP MEMBERS

Wholly-owned subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin)	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec
Associate undertakings				
William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
Lead consortium member				
Start Network	9286835	UK	Humanitarian response charity	N/A

For entities with non co-terminous year ends, results for the 12-month period to 31 December 2021 have been consolidated.
On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to the Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to the Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of HLA. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for HLA under s479A of the Act relating to subsidiary companies.

The registered address of each group member is 1 St John's Lane, London, EC1M 4AR.

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		**Merlin**		**HLA**		**HLA Enterprises Ltd**		**Elrha**	
	Year to 31/12/2021 £000	Year to 31/12/2020 £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Income	**936**	606	**467**	273	**–**	5	**451**	221	**9,372**	13,735
Expenditure	**(883)**	(499)	**(172)**	(502)	**–**	(5)	**(426)**	(211)	**(9,463)**	(13,513)
Net income/ (expenditure)	**53**	107	**295**	(229)	**–**	–	**25**	10	**(91)**	222
Donation to parent charity	**(53)**	(107)	**–**	–	**–**	–	**(25)**	(6)	**–**	–
Net movement in funds	**–**	–	**295**	(229)	**–**	–	**–**	4	**(91)**	222

	As at 31/12/2021 £000	As at 31/12/2020 £000	**As at 31/12/2021 £000**	As at 31/12/2020 £000	**As at 31/12/2021 £000**	As at 31/12/2020 £000	**As at 31/12/2021 £000**	As at 31/12/2020 £000	**As at 31/12/2021 £000**	As at 31/12/2020 £000
Assets	**294**	274	**2,820**	3,282	**–**	–	**192**	227	**571**	3,215
Liabilities	**(44)**	(24)	**(183)**	(941)	**–**	–	**(167)**	(202)	**(295)**	(2,848)
Net assets	**250**	250	**2,637**	2,341	**–**	–	**25**	25	**276**	367

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14. GROUP MEMBERS (CONTINUED)

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2020: £26,000) as grant funding and £1,000 (2020: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	**Group Year to 31/12/2021 £000**	Group Year to 31/12/2020 £000
At 1 January	**591**	567
Share of retained profit for the year	**83**	24
At 31 December	**674**	591

(c) Start Network

Save the Children UK is acting as the grant custodian on Start Network awards, and in that capacity is legally responsible to donors for the charitable application of funds. The income, spend and fund balances for these awards are included within the Start Network restricted fund in note 22.

15. STOCKS

	Group 31/12/2021 £000	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Gift in kind stock for distribution	**343**	196	**343**	196
Emergency	**11**	1,068	**11**	1,068
Goods for resale	**99**	113	**–**	–
Head office	**19**	18	**19**	18
	472	1,395	**373**	1,282

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16. DEBTORS

(a) Grant debtors	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
UK central government	**2,104**	3,362	**1,638**	1,733
Irish government	**5**	7	**5**	7
Other national governments	**18**	1,433	**18**	661
UK local and regional government	**79**	55	**79**	55
European Commission (including European Community Humanitarian Aid Office)	**7,087**	6,690	**7,087**	6,690
Disasters Emergency Committee	**265**	1,515	**265**	1,515
Education Cannot Wait	**28**	–	**28**	–
United Nations	**2,736**	6,859	**2,736**	6,859
World Bank	**2,110**	160	**2,110**	160
Total government and multilateral organisations	**14,432**	20,081	**13,966**	17,680
Comic Relief	**–**	111	**–**	111
Corporate partners	**2,303**	2,332	**2,303**	2,332
Trusts	**612**	288	**612**	288
Other	**1,235**	2,156	**1,184**	1,495
Total other	**4,150**	4,887	**4,099**	4,226
Total grant debtors	**18,582**	24,968	**18,065**	21,906

Grant debtors above include amounts both billed and unbilled.

(b) Other debtors				
Trade debtors	**1,776**	718	**1,648**	532
Legacy debtors	**15,466**	13,038	**15,245**	12,936
Amount owed by subsidiary undertakings	**–**	–	**–**	55
Taxes recoverable	**1,218**	900	**1,216**	900
Prepayments and accrued income	**5,405**	4,108	**5,354**	4,094
Save the Children International	**3,713**	17,697	**3,713**	17,697
Other debtors	**363**	233	**355**	199
	27,941	36,694	**27,531**	36,413

All debtors are falling due within one year.

Debtor balance with Save the Children International represents prepaid funding for future programmatic activity.

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17. CREDITORS

(a) Amounts falling due within one year	**Group 31/12/2021 £000**	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Trade creditors	**4,178**	2,787	**3,683**	2,622
Taxes and social security	**1,057**	1,061	**1,015**	1,005
Amount owed to subsidiary undertakings	**–**	–	**4,999**	2,311
Accruals	**5,256**	5,538	**4,913**	3,939
Deferred income[1]	**51,238**	66,110	**49,259**	65,768
Operating lease incentives[2]	**179**	179	**179**	179
Grant obligations	**27**	36	**–**	–
Other creditors	**342**	2,939	**318**	2,907
	62,277	78,650	**64,366**	78,731
(b) Amounts falling due in more than one year				
Operating lease incentives[2]	**1,028**	1,207	**1,028**	1,207
	1,028	1,207	**1,028**	1,207

[1] The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £35,122,000 arose in the year and £49,994,000 brought forward from 2020 was released.

[2] The operating lease incentives represent the value of payments, and discounts in the form of rent-free periods, received by Save the Children UK when entering into the 25-year lease on the headquarters building. It is being released over the term of the lease.

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At 01/01/2021 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2021 £000**
Dilapidations	1,553	274	(73)	**1,754**
Grants	3,584	289	(350)	**3,523**
Tax	2,255	(711)	(837)	**707**
Other	156	441	(30)	**567**
	7,548	293	(1,290)	**6,551**

Charity	At 01/01/2021 £000	Provision created/ (released) £000	Provision utilised £000	**Total 31/12/2021 £000**
Dilapidations	1,553	274	(73)	**1,754**
Grants	2,820	917	(247)	**3,490**
Tax	2,255	(711)	(837)	**707**
Other	100	440	(30)	**510**
	6,728	920	(1,187)	**6,461**

Dilapidations represent the estimated costs of payments required to make good leased property upon the termination of the lease. The provision amount relating to individual property is released on termination of the lease.

Grant provisions represent estimated funds returnable to donors where Save the Children UK has not been able to spend funds received in accordance with donor wishes and grants which require an element of co-financing where Save the Children UK may be required to fund the additional financing.

Tax provisions represent the accumulated estimated tax liability in overseas jurisdictions where the amount payable is disputed or the tax legislation is unclear.

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19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity
The total future minimum lease payments under non-cancellable operating leases

Total payments due	**Total 31/12/2021 £000**	Total 31/12/2020 £000
Within one year	**6,178**	6,206
Between two and five years	**19,632**	19,348
After five years	**7,395**	11,232
	33,205	36,786

The lease commitment for the head office building is included above.

20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

(a) The table below shows the charity's and group's commitment in delivering projects on behalf of donors, which will be completed over a number of years as detailed below.

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 17. For those not yet received, there are legal agreements with donors to ensure that Save the Children UK will be reimbursed for completion of those projects.

	Group 31/12/2021 £000	Group 31/12/2020 £000	**Charity 31/12/2021 £000**	Charity 31/12/2020 £000
Within one year	**137,976**	156,333	**127,308**	144,324
Between two and five years	**53,939**	99,258	**50,176**	53,342
After five years	**4,006**	5,039	**4,006**	5,039
	195,921	260,630	**181,490**	202,705

(b) Save the Children UK has entered into a number of grants where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year end there were still several grants in progress for which no donor had been found. These amounted to £13.2 million (2020: £7 million). A provision of £2 million (2020: £0.7 million) has been recognised as at 31 December 2021 in respect of grants where Save the Children does not expect to be able to find donors for these over the remaining life of the projects.

(c) Save the Children UK has entered into a number of long-term contracts for the supply of services, all of which are cancellable.

(d) The delivery of the Charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI does not raise funds for its own account, instead relying entirely on resources provided by and channelled through the member organisations.

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Save the Children UK has future commitments in respect of Save the Children International:

i) The International Programming (IP) contracts provide for those members of Save the Children Association (SCA) for whom SCI delivers international programmes to provide a share of an indemnity capped at US$20 million in the event that members choose to cease SCI's programming activity. At 31 December 2021, Save the Children UK's share of this was approximately $2.5 million (2020: $3.5 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

   Under the IP contracts, Save the Children UK has given a number of other indemnities to SCI. These include indemnities in respect of operations in countries prior to the date of their programming transition to SCI. These indemnities principally concern retention by Save the Children UK of responsibility for liabilities prior to the date of such transition. At the date of signing the accounts, no material pre-transition issues relating to the normal course of business had been identified. Accordingly, no provision has been made in relation to these indemnities.

ii) The Save the Children Members have also provided SCI with a standby letter of credit to the value of $6.2 million, of which Save the Children UK's share is $3.1 million. This facility is provided in the event of SCI requiring reserves. SCI hold reserves to meet the following purposes:
   - the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
   - the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
   - the costs of closure or wind-down of the core operations of the charity.

   The standby letter of credit is provided by Standard Chartered. As at 31 December 2021 no amounts had been drawn down on this facility.

(e) SCI has a guarantee of £150,000 with Standard Bank Malawi at the year end relating to grant financing. Save the Children UK has underwritten SCI's commitments under this guarantee. It is not expected that this will come into effect.

21. STATEMENT OF FUNDS

(a) Group	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2021 £000**
Unrestricted funds						
General reserve	34,143	75,673	(73,253)	674	(4,115)	**33,122**
Revaluation reserve	4,350	–	–	1,532	–	**5,882**
Designated funds:						
Fixed asset reserve	2,375	–	(932)	–	215	**1,658**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	591	–	–	84	–	**675**
Merlin	2,191	463	632	–	(806)	**2,480**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	44,896	76,136	(73,553)	2,290	(4,706)	**45,063**
Pension reserve (note 25)	(2,757)	–	(183)	(1,544)	4,364	**(120)**
Total unrestricted funds	42,139	76,136	(73,736)	746	(342)	**44,943**
All restricted and endowed funds						
Restricted income funds (note 22)	11,612	164,273	(162,192)	–	342	**14,035**
Endowment funds	4,865	–	–	634	–	**5,499**
Total restricted funds	16,477	164,273	(162,192)	634	342	**19,534**
Total funds	58,616	240,409	(235,928)	1,380	–	**64,477**

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21. STATEMENT OF FUNDS (CONTINUED)

(b) Charity	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2021 £000**
Unrestricted funds						
General reserve	34,148	74,369	(71,949)	675	(4,121)	**33,122**
Revaluation reserve	4,350	–	–	1,532	–	**5,882**
Designated funds:						
Fixed asset reserve	2,375	–	(932)	–	215	**1,658**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	42,119	74,369	(72,881)	2,207	(3,906)	**41,908**
Pension reserve (note 25)	(2,757)	–	(183)	(1,544)	4,364	**(120)**
Total unrestricted funds	39,362	74,369	(73,064)	663	458	**41,788**
All restricted and endowed funds						
Restricted income funds (note 22)	11,090	156,904	(153,932)	–	(458)	**13,604**
Endowment funds	4,865	–	–	634	–	**5,499**
Total restricted funds	15,955	156,904	(153,932)	634	(458)	**19,103**
Total funds	55,317	231,273	(226,996)	1,297	–	**60,891**

The **general reserve** represents the free funds of the charity that are not designated for particular purposes.

The **revaluation reserve** represents the difference between the historic cost of fixed asset investments and their revalued amount.

The **fixed asset reserve** represents the net book value of tangible and intangible assets originally funded from general reserves. The transfer into the fund represents capital additions less disposal proceeds and depreciation. An adjustment is made for operating lease incentives in relation to fixed assets purchased by the landlord for our headquarters.

The **programme related investment** represents the value of Save the Children UK's investment in SCI.

The **associates reserve** represents the value of Save the Children UK's investment in the William Belmer Rush Foundation (see note 14 for details).

The **Merlin** reserve represents the value of funds that have been designated to spend in line with the objects of Merlin.

The **St John's Lane reserve fund** represents funds set aside for potential future refurbishment of the headquarters building and the eventual replacement of large capital items. Save the Children UK is responsible for this expenditure on its headquarters under its lease with Royal London Asset Management that runs until 2028. In addition, Save the Children UK has responsibilities towards its sub-tenants who occupy part of the headquarters building.

The **pension reserve** represents the reported liability on the defined benefit pension scheme under FRS 102 (see note 25 for details). Transfers to the pension reserve represent payments into the scheme during the year for both the defined benefit plan and the growth plan.

The **restricted income funds** represent unexpended balances on donations and grants given for specific purposes (see note 22 for details).

The **endowment funds** represent assets received that may not be exhausted (see note 23 for details).

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21. STATEMENT OF FUNDS (CONTINUED)

Prior-year comparatives:

(c) Group	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2020 £000**
Unrestricted funds						
General reserve	32,248	75,090	(70,309)	955	(3,841)	**34,143**
Revaluation reserve	4,788	–	–	(160)	(278)	**4,350**
Designated funds:						
Fixed asset reserve	3,627	–	(1,303)	–	51	**2,375**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	567	–	–	24	–	**591**
Merlin	2,415	273	(497)	–	–	**2,191**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	44,891	75,363	(72,109)	819	(4,068)	**44,896**
Pension reserve (note 25)	(625)	–	(242)	(5,829)	3,939	**(2,757)**
Total unrestricted funds	44,266	75,363	(72,351)	(5,010)	(129)	**42,139**
All restricted and endowed funds						
Restricted income funds (note 22)	9,193	213,367	(210,810)	–	(138)	**11,612**
Endowment funds	4,395	–	–	203	267	**4,865**
Total restricted funds	13,588	213,367	(210,810)	203	129	**16,477**
Total funds	57,854	288,730	(283,161)	(4,807)	–	**58,616**

(d) Charity	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2020 £000**
Unrestricted funds						
General reserve	32,255	74,382	(69,600)	955	(3,844)	**34,148**
Revaluation reserve	4,788	–	–	(160)	(278)	**4,350**
Designated funds:						
Fixed asset reserve	3,627	–	(1,303)	–	51	**2,375**
Programme related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	41,916	74,382	(70,903)	795	(4,071)	**42,119**
Pension reserve (note 25)	(625)	–	(242)	(5,829)	3,939	**(2,757)**
Total unrestricted funds	41,291	74,382	(71,145)	(5,034)	(132)	**39,362**
All restricted and endowed funds						
Restricted income funds (note 22)	8,890	204,688	(202,353)	–	(135)	**11,090**
Endowment funds	4,395	–	–	203	267	**4,865**
Total restricted funds	13,285	204,688	(202,353)	203	132	**15,955**
Total funds	54,576	279,070	(273,498)	(4,831)	–	**55,317**

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22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2021 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2021 £000**
Regions					
East Africa	202	42,207	(42,227)	163	**345**
Southern Africa	174	3,619	(3,589)	–	**204**
West and Central Africa	(113)	21,998	(21,664)	710	**931**
Asia	234	19,141	(19,559)	119	**(65)**
Latin America and Caribbean	721	(189)	(890)	380	**22**
Middle East and South-East Europe	751	11,247	(11,637)	(238)	**123**
United Kingdom	3,762	8,617	(7,285)	(2,131)	**2,963**
Multi-region	1,284	9,627	(9,900)	1,579	**2,590**
Emergency Appeals					
Syria	943	410	(260)	62	**1,155**
Yemen	771	801	(118)	(154)	**1,300**
Cyclone Idai	29	840	(840)	–	**29**
COVID-19	259	4,398	(4,342)	(200)	**115**
Other	58	315	(258)	(63)	**52**
Other Funds					
Children's Emergency Fund[2]	286	4,179	(4,350)	527	**642**
Thematic/country funds[3]	38	274	27	(237)	**102**
Start Network	909	23,759	(22,328)	(103)	**2,237**
Elrha	366	9,339	(9,430)	–	**275**
Other	938	3,691	(3,542)	(72)	**1,015**
	11,612	164,273	(162,192)	342	**14,035**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] Children's Emergency Funds not yet allocated to particular country programmes.

[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2021 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2021 £000**
Regions					
East Africa	202	42,207	(42,227)	163	**345**
Southern Africa	174	3,619	(3,589)	–	**204**
West and Central Africa	(120)	21,998	(21,664)	710	**924**
Asia	158	19,141	(19,559)	119	**(141)**
Latin America and Caribbean	721	(189)	(891)	380	**21**
Middle East and South-East Europe	736	11,247	(11,637)	(238)	**108**
United Kingdom	3,762	8,617	(7,285)	(2,131)	**2,963**
Multi-region	1,230	10,427	(9,900)	779	**2,536**
Emergency Appeals					
Syria	943	409	(260)	62	**1,154**
Yemen	771	797	(113)	(154)	**1,301**
Cyclone Idai	29	841	(840)	–	**30**
COVID-19	259	4,398	(4,342)	(200)	**115**
Other	58	315	(258)	(63)	**52**
Other Funds					
Children's Emergency Fund[2]	286	4,179	(4,350)	527	**642**
Thematic/country funds[3]	38	274	27	(237)	**102**
Start Network	909	23,759	(22,328)	(103)	**2,237**
Elrha	–	1,174	(1,174)	–	**–**
Other	934	3,691	(3,542)	(72)	**1,011**
	11,090	156,904	(153,932)	(458)	**13,604**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] Children's Emergency Funds not yet allocated to particular country programmes.

[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

(c) Included in the restricted fund balances are the following:

	At 01/01/2021 £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2021 £000**
National Lottery Community Fund					
Emerging Futures	–	36	(36)	–	**–**
Coronavirus Community Support Fund	–	99	(99)	–	**–**
	–	135	(135)	–	**–**

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23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2021 £000	Other gains/(losses) £000	**At 31/12/2021 £000**
The Oliver Children's fund	4,865	634	**5,499**
	4,865	634	**5,499**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2021 £000**
Tangible and intangible fixed assets	353	–	1,658	–	–	–	**2,011**
Fixed asset investments	28,436	5,882	1,630	–	–	5,499	**41,447**
Current assets	23,378	–	2,771	–	64,846	–	**90,995**
Current liabilities	(11,466)	–	–	–	(50,811)	–	**(62,277)**
Non-current liabilities	(1,028)	–	–	–	–	–	**(1,028)**
Provisions for liabilities and charges	(6,551)	–	–	–	–	–	**(6,551)**
Pension liability	–	–	–	(120)	–	–	**(120)**
	33,122	5,882	6,059	(120)	14,035	5,499	**64,477**

(b) Charity

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2021 £000**
Tangible and intangible fixed assets	353	–	1,658	–	–	–	**2,011**
Fixed asset investments	28,712	5,882	955	–	–	5,499	**41,048**
Current assets	27,106	–	291	–	62,410	–	**89,807**
Current liabilities	(15,560)	–	–	–	(48,806)	–	**(64,366)**
Non-current liabilities	(1,028)	–	–	–	–	–	**(1,028)**
Provisions for liabilities	(6,461)	–	–	–	–	–	**(6,461)**
Pension liability	–	–	–	(120)	–	–	**(120)**
	33,122	5,882	2,904	(120)	13,604	5,499	**60,891**

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24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior period comparatives:

(a) Group

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2020 £000**
Tangible and intangible fixed assets	407	–	2,375	–	–	–	**2,782**
Fixed asset investments	27,762	4,350	1,546	–	–	4,865	**38,523**
Current assets	27,477	–	2,482	–	77,514	–	**107,473**
Current liabilities	(12,748)	–	–	–	(65,902)	–	**(78,650)**
Non-current liabilities	(1,207)	–	–	–	–	–	**(1,207)**
Provisions for liabilities and charges	(7,548)	–	–	–	–	–	**(7,548)**
Pension liability	–	–	–	(2,757)	–	–	**(2,757)**
	34,143	4,350	6,403	(2,757)	11,612	4,865	**58,616**

(b) Charity

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2020 £000**
Tangible and intangible fixed assets	407	–	2,375	–	–	–	**2,782**
Fixed asset investments	28,037	4,350	955	–	–	4,865	**38,207**
Current assets	26,846	–	291	–	76,614	–	**103,751**
Current liabilities	(13,207)	–	–	–	(65,524)	–	**(78,731)**
Non-current liabilities	(1,207)	–	–	–	–	–	**(1,207)**
Provisions for liabilities	(6,728)	–	–	–	–	–	**(6,728)**
Pension liability	–	–	–	(2,757)	–	–	**(2,757)**
	34,148	4,350	3,621	(2,757)	11,090	4,865	**55,317**

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25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(i) Defined Benefit Triennial valuation (notes 25b–c)

(ii) Accounting valuation under FRS 102 (defined benefit scheme) (notes 25d–h)

(iii) Defined contribution scheme (note 25i)

(iv) The Pensions Trust Growth Plan (multi-employer scheme) (note 25j)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust growth plan £000	**Year to 31/12/2021 £000**	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2020 £000
Net pension liability at start of year	2,236	521	**2,757**	–	625	625
Expenses	179	–	**179**	220	–	220
Net interest expense	3	1	**4**	(179)	6	(173)
Contributions by employer	(4,241)	(123)	**(4,364)**	(3,820)	(119)	(3,939)
Net actuarial (gains)/losses in the year	(19,744)	(279)	**(20,023)**	13,177	9	13,186
Losses due to benefit changes	–	–	**–**	16	–	16
Unrecognised surplus/effect of asset ceiling	21,567	–	**21,567**	(7,178)	–	(7,178)
Net pension liability at end of year	–	120	**120**	2,236	521	2,757

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2020 by a professionally qualified actuary. This reported the scheme assets as £206.69m and the scheme liabilities as £215.88m. This corresponds to a scheme deficit of £9.19m and a funding level of 96%. The triennial valuation also reported that there were 0 active members, 962 deferred members and 823 pensioner members, a total of 1,785 members.

A subsequent scheme funding valuation was performed to 30 September 2021. At that date, the scheme was in a estimated surplus of £12.1m and had a funding level of 106%. Following this updated scheme funding valuation, the Trustee agreed with the employer that deficit contributions could cease from October 2021, the only continuing contributions agreed at this valuation related to expenses only.

(c) Triennial valuation: assumptions

The triennial actuarial valuation carried out at 30 September 2020 used the following principal assumptions:

Average rate of return on investments pre-retirement	Initial rate of gilt yield curve plus 1.61% p.a. at the valuation date tapering linearly to gilt yield curve plus 0.5% p.a. over a transition period of 11 years for past service liabilities.
Retail Price Index assumption	Gilt inflation curve
Consumer Price Index assumption	RPI less 1.0% p.a. at each term until 2030 and RPI inflation less 0.3% p.a. at each term thereafter.

Mortality 102% after retirement of S3PMA (males) and S3PFA (females). CMI_2019 with long-term improvement rates of 1.5% pa for males and 1.25% for females.

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25. PENSION COSTS (CONTINUED)

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2021

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance sheet date. In the 2020 triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2020 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied then explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

(i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer;

(ii) the scheme holds quoted securities and these have been valued at bid-price.

Reconciliation of opening and closing balances of the scheme assets and liabilities	Fair value of scheme assets	Present value of scheme liabilities	**Scheme assets less scheme liabilities**
Scheme assets/(liabilities) at start of year	214,700	(216,936)	**(2,236)**
Expenses	(179)	–	**(179)**
Interest income/(cost)	2,999	(3,002)	**(3)**
Actuarial gain	11,296	8,448	**19,744**
Contributions by employer	4,241	–	**4,241**
Benefits paid	(4,976)	4,976	**–**
Scheme assets/(liabilities) at the end of year	228,081	(206,514)	**21,567**
Provision for loss due to benefit changes			**–**
Unrecognised surplus scheme assets			**(21,567)**
Scheme assets/(liabilities) recognised at the end of year			–

(e) Amounts recognised in the statement of financial activities	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Interest income	**2,999**	3,726
Interest expense	**(3,002)**	(3,547)
Interest on effect of asset ceiling	**–**	(179)
Net interest expense	**(3)**	–
Expenses	**(179)**	(220)
Provision for benefit changes	**–**	(16)
Total expense	**(182)**	(236)
Net actuarial gains/(losses) in the year	**19,744**	(13,177)
Unrecognised surplus/effect of asset ceiling	**(21,567)**	7,178
Interest on effect of asset ceiling	**–**	179
Total decrease in net funds	**(2,005)**	(6,056)

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25. PENSION COSTS (CONTINUED)

(f) The assets at 31 December 2021 are represented by:	**At 31/12/2021 Fair value £000**	At 31/12/2020 Fair value £000
Equities	**32,745**	42,439
Property	**20,769**	12,046
Government bonds	**148,925**	127,634
Other	**25,642**	32,581
Scheme assets	**228,081**	214,700

(g) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	**Year to 31/12/2021 % p.a.**	Year to 31/12/2020 % p.a.
Discount rate	**1.83**	1.40
Inflation (RPI)	**3.31**	3.00
Inflation (CPI)	**2.96**	2.60
Deferred revaluation: RPI max 5% p.a.	**3.31**	3.00
Pension increases in payment: CPI max 5% p.a.	**2.90**	2.60
Pension increases in payment: CPI max 2.5% p.a.	**2.00**	1.90
Pension increases in payment: CPI max 3% p.a.	**2.30**	2.10

Demographic assumptions

Mortality	**Year to 31/12/2021**	Year to 31/12/2020
Base tables	**S3PXA**	S3PXA
Loading on base tables	**107%**	107%
Improvement allowance, for males	**CMI_2020 (1.5%)**	CMI_2019 (1.5%)
Improvement allowance, for females	**CMI_2020 (1.25%)**	CMI_2019 (1.25%)
Smoothing parameter	**7.0**	7.0

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25. PENSION COSTS (CONTINUED)

(h) Review of scheme benefit changes

During 2021 Save the Children UK were notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. This review identified that, in some cases, changes to Scheme benefits (primarily those made in 1994) may have been implemented at a time or in a way that may not have been in accordance with the TPT Trust Deed or Rules and other relevant governing documentation or applicable law. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). If the court finds that any of the amendments made to the benefits of members were not validly made by TPT in line with the TPT governing documentation and/or applicable law, the Trustee may be required to amend the TPT Rules to reflect the benefits members were entitled to before the relevant amendment(s) was made. This may result in an increase to the Scheme's liabilities.

The actuarial valuation for the Scheme as at the end of 2021 identified a surplus of £21.6m performed under FRS 102 and makes no allowance for these potential liabilities. The financial impact of the potential liabilities is still under review. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q4 2024 (and may subsequently be subject to appeal).

Save the Children UK have reviewed information shared by TPT and received independent legal and financial advice regarding the potential financial impact of the various scheme changes and the likelihood of a court ruling that the various changes were invalid. There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0m–£68m of liability (calculated on FRS102 assumptions based on financial conditions as at 30 June 2022). This estimate is based on the current investment strategy and applicable valuation assumptions, which we are currently reviewing with TPT. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed. Where liabilities exceed the funding surplus in the Scheme, a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit.

(i) Defined contribution scheme

Save the Children UK has a Group Personal Pension (GPP), provided by Legal and General as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

The cost of the defined contribution scheme is included within salary costs as shown in note 8. It is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates. Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Pension contributions	**2,117**	2,154

	At 31/12/2021 £000	At 31/12/2020 £000
Outstanding pension contributions	**316**	324

These are included within creditors in note 17a.

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25. PENSION COSTS (CONTINUED)

(j) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements – a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers).

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2020 by a professionally-qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 81%.

The triennial valuation at 30 September 2020 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £1.3 million.

The actuary advises that the deficit in the scheme, on an FRS 102 basis, is £0.1 million (2020: £0.5 million). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers. Save the Children UK started to make deficit contributions in April 2013. In 2021 Save the Children UK paid £123k (2020: £119k). Contributions from April 2022 are £55k and increase annually by an inflation factor; it is estimated that this should reduce the potential debt to zero by September 2025. Under FRS 102 Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

Net movement in the pension liability	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Provision at the start of the period	**521**	625
Unwinding of the discount factor (interest expense)	**1**	6
Deficit contribution paid	**(123)**	(119)
Remeasurements – impact of any change in assumptions	**(1)**	–
Remeasurements – reduction in future agreed contributions	**(278)**	9
Provision at the end of the period	**120**	521

Amounts recognised in the statement of financial activities	**Year to 31/12/2021 £000**	Year to 31/12/2020 £000
Interest expense	**1**	6
Remeasurements – impact of any change in assumptions	**(1)**	–
Remeasurements – reduction in future agreed contributions	**(278)**	9
	(278)	15

Financial assumptions	**Year to 31/12/2021 % p.a.**	Year to 31/12/2020 % p.a.
Rate of discount	**1.18**	0.27

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26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2021 £000**	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2020 £000
Income and endowments from:						
Donations and legacies	64,366	19,944	**84,310**	63,773	24,113	87,886
Charitable activities	–	136,864	**136,864**	–	180,467	180,467
Other trading activities	6,633	–	**6,633**	6,285	–	6,285
Investments	496	–	**496**	760	–	760
Other	2,874	96	**2,970**	3,564	108	3,672
Total income	74,369	156,904	**231,273**	74,382	204,688	279,070
Expenditure on:						
Raising funds	28,673	1,380	**30,053**	27,323	758	28,081
Charitable activities						
Nutrition	3,221	14,682	**17,903**	2,501	17,563	20,064
Livelihoods	3,826	19,386	**23,212**	4,594	33,010	37,604
Health	5,350	26,242	**31,592**	5,757	36,496	42,253
Protection and rights	1,591	8,752	**10,343**	1,237	9,913	11,150
Education	7,902	37,331	**45,233**	6,533	37,121	43,654
Rapid onset emergencies	12,956	42,936	**55,892**	12,903	64,031	76,934
Advocacy and awareness	7,115	3,216	**10,331**	7,837	3,459	11,296
Total charitable activities	41,961	152,545	**194,506**	41,362	201,593	242,955
Other	2,430	7	**2,437**	2,460	2	2,462
Total expenditure	73,064	153,932	**226,996**	71,145	202,353	273,498
Net gains on investments	2,207	634	**2,841**	795	203	998
Net income	3,512	3,606	**7,118**	4,032	2,538	6,570
Transfers between funds	458	(458)	**–**	(132)	132	–
Actuarial gains/(losses) on defined benefit pension scheme	(1,544)	–	**(1,544)**	(5,829)	–	(5,829)
Net movement in funds	2,426	3,148	**5,574**	(1,929)	2,670	741
Fund balances brought forward	39,362	15,955	**55,317**	41,291	13,285	54,576
Fund balances carried forward	**41,788**	**19,103**	**60,891**	**39,362**	**15,955**	**55,317**

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27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Department for International Development in the year ended 31 December 2021

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	1,039
Bangladesh Country Office	COVID-19 Preparedness and response for vulnerable populations	302
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	6,990
DRC Country Office	Girl's Education Challenge Transition	1,585
Ethiopia Country Office	Programme Addressing Unsafe Irregular Migration 2019	554
Mozambique Country Office	Linking Agribusiness and Nutrition	172
Mozambique Country Office	Programme for Advancement of Girls' Education	1,444
Multi-country	Safer Schools Project 2017	66
Myanmar Country Office	COVID-19 Response – HARP Facility	118
Myanmar Country Office	MMR Supporting children in the first '1000' days of life and beyond, to reduce child mortality and stunting in high burden states and regions of Myanmar	2
Nepal and Bhutan Country Office	COVID-19 UK NERF COVID-19 response 2020	1,572
Nigeria Country Office	Child Development Grant Programme (CDGP), Northern Nigeria	2,175
Nigeria Country Office	NGA– ESPID	1,059
Somalia Country Office	Community Health and Nutrition through Local Governance and Empowerment (CHANGE) programme	753
Somalia Country Office	Somalia Humanitarian and Resilience Programme (SHARP) Phase II	1,973
South Sudan Country Office	SSD_Health Pooled Fund 2_Kapoeta	(2)
South Sudan Country Office	START Response to flooding in Tonj-South, SSD 2021	(2)
START Network	Start Fund 2018–2021	6,717
START Network	Start Fund Model Bangladesh – Phase 2	84
START Network	START Network Crisis and Disaster Risk Financing 2019	903
START Network	START Fund Nepal Contribution 2021–2022	458
START Network	Start Fund Bangladesh – Phase 3	307
Tanzania Country Office	TZA Increasing Access to Education in Zanzibar	599
Uganda Country Office	Response Innovation Lab_ULEARN_2019	878
United Kingdom	Elrha – DFID/FCDO 2019–2023 – Humanitarian Innovation Fund/ Community-Led Innovation/Global	2,979
United Kingdom	Elrha – Research for Health in Humanitarian Crises (R2HC) Phase 3 – FCDO	757
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	1,796
United Kingdom	SUN CSN Support 2018–2020	122
Yemen Country Office	Multisector Humanitarian Response Programme Extension	2,446
		37,846

(b) Income from the UK Department of Health in the year ended 31 December 2021

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	692
United Kingdom	UKH Elrha R2HC Phase 3 (DoH)	48
		740
Total UK central government income		**38,586**

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(c) Income from the Irish government in the year ended 31 December 2021

Countries supported	Project	£000
Ethiopia Country Office	Eth Irish Aid Contingency support to SWAN for Tigray Conflict	371
Ethiopia Country Office	Eth Irish Aid Gender Equality	1,788
Ethiopia Country Office	ETH Irish Aid Support for ECSC-SUN 2021–25	495
Ethiopia Country Office	Eth_ECSC-SUN follow on 2019	(3)
Ethiopia Country Office	Ethiopian Civil Society Coalition for Scaling up Nutrition	(1)
Malawi Country Office	Pathways to resilience (P4R)_2019–2020	589
Sierra Leone Country Office	SLE Genda Bizness	587
START Network	Irish Aid START Fund Contributions 2021	1,223
START Network	Irish Aid Start Funding 2020–2021	75
United Kingdom	SUN CSN Support 2018–2020	163
		5,287

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.

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THE SAVE THE CHILDREN FUND

England & Wales - Charity number 213890

Accounts

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TOMORROW IS NOW

ANNUAL REPORT 2020

Save the Children

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2020 HIGHLIGHTS

In the UK and around the world, we make sure children are safe and healthy. We support them to learn, grow and become whoever they want to be.

44.9 MILLION CHILDREN

and 38.3 million adults directly supported by the Save the Children movement, working across 117 countries*

18.5 MILLION CHILDREN

and 12.5 million adults supported by the Save the Children movement in 136 humanitarian emergency responses across 77 countries

£289 MILLION

raised by Save the Children UK and our supporters

4,500 VOLUNTEERS

in the UK gave their time, energy and skills to support our cause†

4.1 MILLION CHILDREN AND ADULTS

took part in Save the Children's Christmas Jumper Day, raising over £3.1 million to help children in the UK and around the world

** This estimated total reach figure includes data from 80 countries, out of a total of 117 countries where we worked. While the proportion of offices that report continues to increase, this process does not yet reflect all programming across the Save the Children movement. For details of our relationship with the wider Save the Children movement, see page 7. A person is reached directly when she/he/they have received one or more project/programme inputs from Save the Children or a partner or has participated in activities or accessed services provided by Save the Children or a partner or by institutions or individuals supported by Save the Children or our partners.*

† Refers to active volunteers holding a formal volunteering role as of 31 December 2020. Many more volunteers will have supported us throughout the year.

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WHO WE ARE

We believe that children's potential is our brightest hope for a better future. We are committed to ensuring children survive, have the chance to learn and get protection when they're in danger.

Save the Children UK is a member of the Save the Children movement, which is made up of 30 member organisations, working in 117 countries.

To find out more about our strategy and vision, see page 7.

IN MEMORY

We dedicate this report to the Save the Children staff who tragically lost their lives during the past year. We, their colleagues, will remember them, and the impact they had for children will live on. Our deepest condolences go to their families, friends and colleagues.

Front cover: Isha, aged seven, outside her home in Sheffield, UK. During lockdown, she missed her friends and school. But she also shared this message of hope: "Better days will come – keep smiling!" (Photo: Hanna Adcock/ Save the Children)

Names marked with * have been changed to protect identities.

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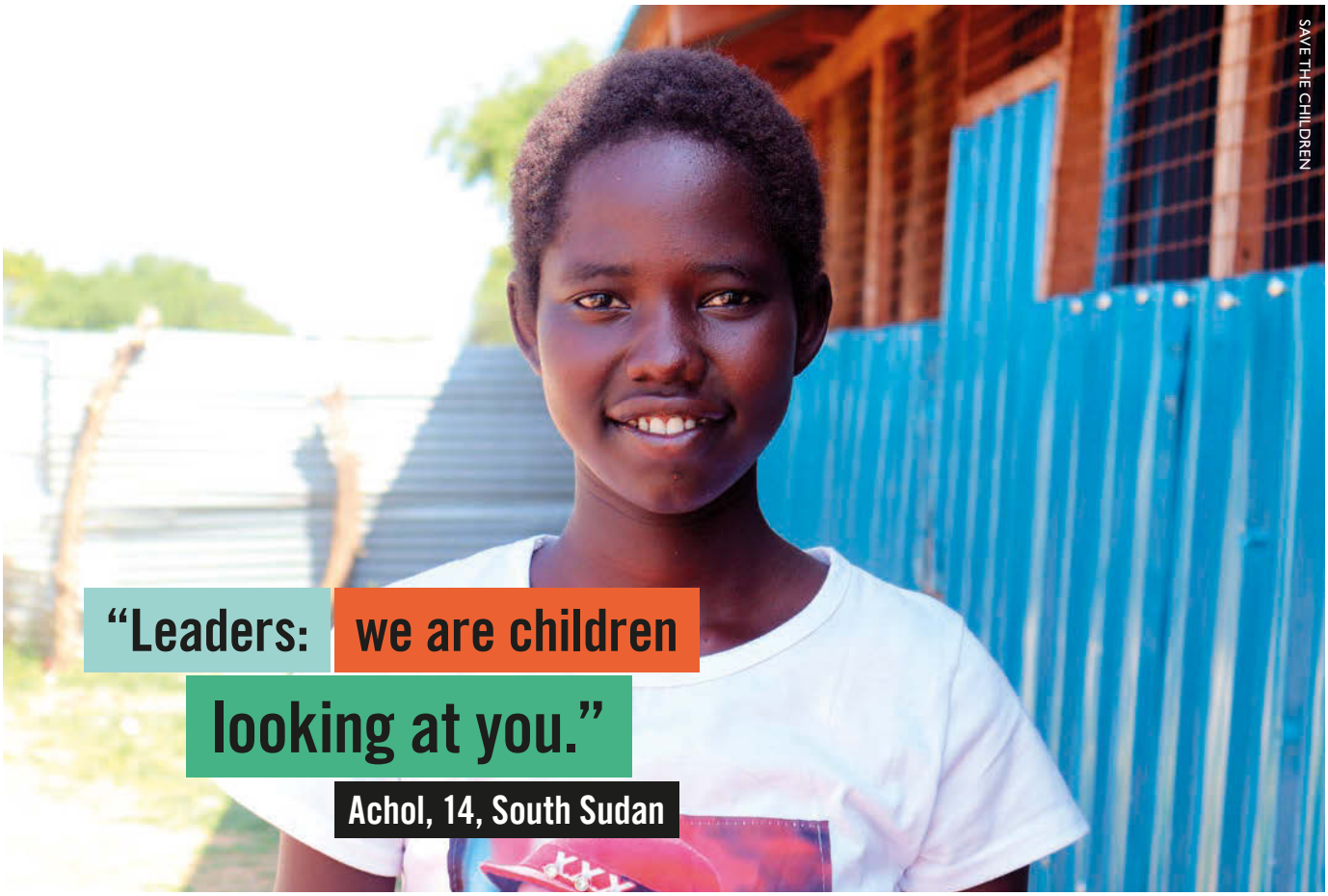
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It's a pleasure and honour to write the introduction for Save the Children's Annual Report for 2020. I am happy to cast light on the issues faced by children in the whole world, particularly in South Sudan.

I am an activist, raising the concerns of children at different forums, starting from my school, state and national levels. I have also been nominated by South Sudanese children to represent them in a pre-session meeting with the United Nations Convention on the Rights of the Child committee on 9 February 2021.

When campaigning, I focus mainly on the inclusion of all children in education, including girls and those with disabilities; gender-based violence targeting children; sexual abuse, including forced and early marriage; and violence against children. During the Covid-19 outbreak and flooding in South Sudan I focused on ensuring children were safe by talking to them about the World Health Organization's preventative and response measures, as well as highlighting the dangers of floods and how to keep children safe.

Coronavirus has affected girls in South Sudan negatively – many dropped out of school during the lockdown. It resulted in child marriage, as many girls thought schools would not open again. Here, it is only when a girl is going to school that she can avoid getting married before she is 18. The situation, peer pressure and demands from parents force them to marry earlier, if they are not occupied with books. Child labour has also increased due to the complex crises of Covid-19 and flooding, especially in Bor.

The lack of basic needs due to economic crises, widespread poverty and hunger are also issues children face in my country.

It is my hope and dream that one day children in South Sudan and the entire world live, learn and stay in a safe and protective environment. I want to take this golden opportunity to ask the government of South Sudan to prioritise children's rights and provide equitable basic services, especially in health, education and security, and ensure the South Sudan Child Act 2008 is implemented.

The cases of child rights violations have slightly reduced, according to my personal observations.

When we advocate, we see that our efforts lead to some change and this keeps me wanting to do more.

This is one reason I am eager to represent children in Geneva, to tell the world about what life is like for children and share ideas and experiences with my colleagues from around the world.

Finally, I want to tell leaders that we children are looking at you, to ensure our rights are prioritised and you give us the education we need, because we are seeds of tomorrow.

Achol, age 14, child campaigner, South Sudan

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STANDING STRONG


MATT CROSSICK/SAVE THE CHILDREN

In a year that has been challenging for us all, the coronavirus pandemic has had a huge impact on children's futures. The lives of today's children will be deeply marked by the turmoil and long-term damage the pandemic has caused, and sadly the crisis is not over yet.

A great challenge calls for a great response, and throughout this demanding time I have been impressed with how quickly and effectively Save the Children has adapted to help children affected by the virus. At the start of the outbreak, we launched our Covid-19 Appeal, and once again were very grateful for the public's unstinting generosity. In the UK, we delivered learning materials, food vouchers and household essentials to families. Globally, we provided protective equipment and medical supplies, and worked with local health authorities to set up hospitals. At a time when it has never been more important to support children's education, we have been making sure children can continue their learning even when their schools are closed.

Part of rising to the challenge of the coronavirus pandemic has been making sure our other life-saving work could continue. We are still on the ground responding to emergencies, and our work to prevent killer diseases like pneumonia and malaria is more important than ever. Around the world, the commitment of Save the Children's local staff, partners and health workers is as strong as it always has been. It is this commitment that means we can work together to meet children's immediate needs, while dealing with the added demands a pandemic brings.

It has been an incredibly difficult year both for our programme work and for our fundraising. Sadly, we have seen the temporary closure of all our 120 retail shops across the country, events cancelled and considerable disruption to many of the other ways we raise money for our cause. Staff have had to adapt to new ways of working. I have joined some really informative and innovative video discussions with staff and supporters.

Despite these challenges, as difficult and widespread as any I have witnessed throughout my years of service, Save the Children supporters have been unwavering in their dedication. They have refused to accept that children be allowed to fall behind because of coronavirus. This kindness and dedication are what sums up Save the Children's supporters, volunteers and staff. You have given your time, energy and talent to help children, no matter what.

I thank you for everything you have done for children this year. Your support is needed more than ever before. Thank you for being with us, and being there for children.



HRH The Princess Royal
Patron, Save the Children

We wish to thank Her Royal Highness The Princess Royal for dedicating 50 years to Save the Children UK, serving as both President and Patron.

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MESSAGE FROM THE CHIEF EXECUTIVE

OUR MISSION

2020 was a year like no other. The Covid-19 pandemic took a terrible toll on the lives of people around the world, and the ripple effects disrupted health systems, forced schools into lockdowns and triggered economic recessions. Children are carrying some of the deepest scars.

Reports from our programmes tell a story of rising child poverty, worsening malnutrition and increased stress on child health systems. One country after another documented the devastating effects of school closures on children lacking any learning support.

Here in the UK, the pandemic has left more children in poverty and more parents struggling to provide nutritious meals. Already extreme inequalities in education have widened.

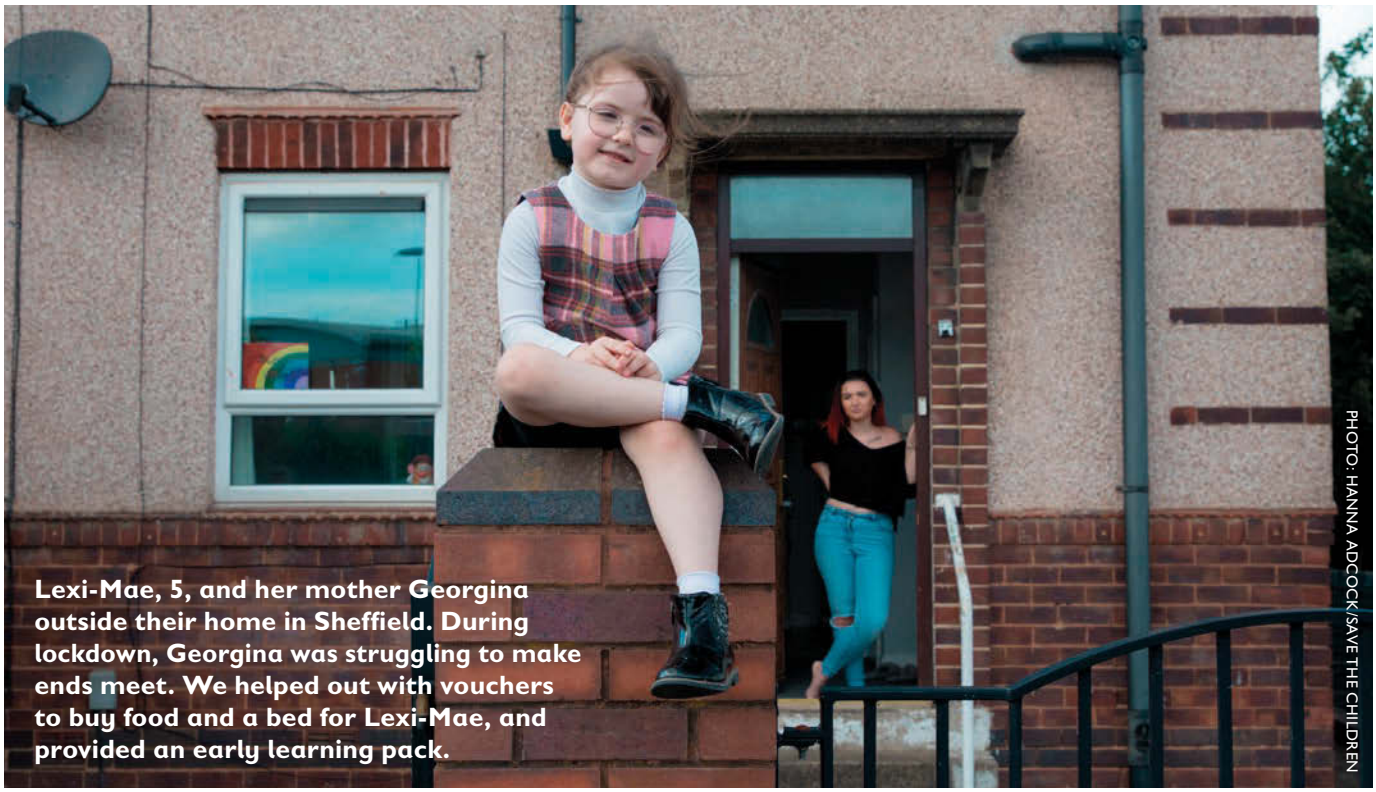
As part of our global movement, I'm proud that Save the Children was on the ground responding to crises triggered by Covid-19.

In Bangladesh, our Emergency Health Unit established a Covid-19 isolation ward. Across the Horn of Africa, we expanded our nutrition programmes and worked with governments to establish distance learning opportunities for children. With an international funding shortfall in Yemen, we supported 58 health facilities in the north of the country in their provision of vital health and nutrition services. In the UK, we expanded our emergency grants programme, providing urgently needed financial and home learning support to some of the families most in need.

We also linked local action to advocacy for – and with – children. At an international level, we engaged with the World Bank, UN agencies and donor governments to mobilise financial support for countries and communities bearing the brunt of the crisis. Our global campaign Safe Back to School worked to get children back into a learning environment – and to keep adolescent girls out of early marriage.

OUR ORGANISATION

Covid-19 severely disrupted our plans for the year. Many of our staff were furloughed. Our shops were closed for significant periods and events were cancelled, which affected our fundraising. Lockdown meant that most of our staff had to transition to working from home.



Lexi-Mae, 5, and her mother Georgina outside their home in Sheffield. During lockdown, Georgina was struggling to make ends meet. We helped out with vouchers to buy food and a bed for Lexi-Mae, and provided an early learning pack.

PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

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Despite everything, we were able to achieve some extraordinary results – many of which are documented in this report. For that I want to pay tribute to the professionalism, commitment and resolve of our extraordinary people. They went way beyond the call of duty.

Our fundraising surpassed expectations, not least thanks to a brilliantly creative Christmas Jumper Day. We were able to secure significant new institutional funding from international donors, especially in education. Our smooth transition to home working owed much to an enormous amount of hard work and support from teams across the organisation.

As ever, we were able to draw on the energy, enthusiasm and backing of our supporters, volunteers and partners. We are privileged to be able to do so.

I was also thrilled by the appointment of our new Chair, Dr Tsitsi Chawatama, a consultant paediatrician with a wealth of clinical and development experience. Appointed through an open and transparent process, Dr Chawatama joined us in January 2021 and brings with her a deep commitment to child rights.

I also want to take this opportunity to remember the colleagues who we lost in 2020. Our thoughts are with their loved ones.

OUR CULTURE

Last year, we continued our journey on organisational culture. Save the Children is built on an unrelenting ambition for children. But that ambition must be harnessed to a culture of kindness, respect and support for staff.

In March, the Charity Commission delivered its inquiry report into our handling of allegations of misconduct and harassment of staff in 2012 and 2015. We accepted the report's recommendations in full and collectively apologised for letting down the women affected, and for letting down our organisation.

OUR COMMITMENT TO ANTI-RACISM

The work we do through our fundraising and campaigning, and through our programmes in some of the world's toughest places, makes a positive difference. But Save the Children is also part of a colonial history in which people of colour were dominated and oppressed, and we did not always speak out when we should have done. We should be honest enough and confident enough to acknowledge this – and that our organisation is not insulated from the pervasive institutional racism endemic in British society and experienced by our colleagues today.

During 2020 we actively discussed and acted on these issues and launched our *Free To Be Me* Diversity and Inclusion strategy. Co-created with staff, the strategy outlines a compelling vision backed by practical measures for its delivery. I'm indebted to our staff equalities networks for their courage in raising concerns and their constructive guidance and advocacy in driving change.

LOOKING FORWARD

We're now preparing to tackle the crisis facing so many children across the world. The aftershocks of Covid-19, conflict and climate change are magnifying old inequalities linked to wealth, gender and other markers of disadvantage, and creating new fault lines within and between countries. For the first time in over three decades, there is a real danger of reversals in areas like child survival, nutrition and education. That must not happen on our watch.

I joined Save the Children as CEO just after governments around the world agreed to the 2030 Sustainable Development Goals. Those Goals include ending preventable child deaths, eradicating poverty and providing all children with the learning opportunities they need to thrive.

Today, that ambition may seem out of reach. But in these moments, I find inspiration in these words of our founder, Eglantyne Jebb: "Save the Children is often told that its aims are impossible – that there has always been child suffering and there always will be. We know. It's impossible only if we make it so. It's impossible only if we refuse to attempt it."





Kevin Watkins
Chief Executive

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MESSAGE FROM THE CHAIR

I have always been a passionate advocate for child health, and for children's rights and wellbeing. Joining Save the Children UK – a values-based global movement that is at the forefront of this work – is both humbling and a privilege. Having personal experience of the impact of girls' access to education, Save the Children's ambition is close to my heart.

The welcome I have received since joining in January 2021 has been tremendous. The passion for our purpose and the enthusiasm of the team are both inspiring and infectious. This is even more impressive given the backdrop of 2020, which was a challenging year, with a global pandemic and the intensified spotlight on long-standing societal inequalities and injustices. However, through resilience, solidarity and teamwork the organisation has continued to be an important voice in advocating for and with children and ensuring programmes achieve impact at a time when this has been needed most. Our mandate – to pursue our founder Eglantyne Jebb's vision of a world where children realise their right to be healthy, happy and fulfilled – has never mattered more.

I firmly believe our focus on achieving the best outcomes for children must remain the beating heart of Save the Children. The 2022–24 strategy development process is a timely opportunity to focus on our role and contribution to the wider Save the Children movement, while ensuring we are forward-looking and remain fit for purpose. It will require continued emphasis on strengthening our organisational people and culture work, including commitments to our ambitious Diversity and Inclusion strategy.

I would like to thank Charles Steel for serving as Interim Chair and for his stewardship and leadership during this time. Together with the rest of the Board of Trustees, I am committed to ensuring that this good work continues.



Dr Tsitsi Chawatama
Chair of the Board of Trustees





Ten-year-old Ferhana* longs for the conflict in Afghanistan to end and to get back to school with her friends. She's living in a settlement in Balkh province after fighting forced her family to leave their home. We've supported them with cash to buy food.

PHOTO: JIM HUYLEBROEK CASINI/SAVE THE CHILDREN

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A GLOBAL MOVEMENT DELIVERING IMPACT AT SCALE

Save the Children was founded on the belief that every child deserves a better future. Yet around the world, many children today are still denied that chance simply because of who they are and where they're from.

We have a bold ambition: a world in which all children survive, have the chance to learn and are protected from abuse, neglect and exploitation.



A GLOBAL MOVEMENT

Save the Children is a global membership organisation, made up of Save the Children International and 30 national members, including Save the Children UK. We share one name and one vision for children. Through our work, and our work with local and global partners, the Save the Children movement directly supported 44.9 million children in 2020, in 117 countries around the world.

In all our work, we aim to:

- innovate – develop and demonstrate evidence-based, replicable solutions to the problems children face
- achieve results at scale – by expanding effective and sustainable approaches
- be the voice – campaign for better practices and policies to fulfil children's rights and ensure that their voices are heard
- build partnerships – with children, communities, governments, civil society and private sector organisations to influence others and increase our impact.

Our 2030 ambition for children

All members and country offices of Save the Children are working to deliver a shared vision for 2030, focused on three global breakthrough goals:

- **SURVIVE**: By 2030, no child will die from preventable causes before their fifth birthday.
- **LEARN**: By 2030, all children learn from a good-quality basic education.
- **BE PROTECTED**: By 2030, violence against children will no longer be tolerated.

These ambitious outcomes are aligned to the Sustainable Development Goals, and while Save the Children is unable to reach these alone – we recognise our role as part of a worldwide movement of grassroots and global organisations, local leaders and national governments, individuals and corporations, and institutional bodies who are driving these essential changes for children.

We use our Global Results Framework to develop a clear understanding of how our work leads to progress for children, at the national, regional and global level. The framework is a causal pathway showing how our day-to-day work contributes to the 2030 Breakthroughs for children and is integrated and used in our strategy planning, reporting and analysis. We use it to review progress, make informed decisions, hold ourselves to account and ask ourselves if we are delivering on our commitments to children.

As a movement we put children's rights at the core of everything we do and prioritise the most deprived and marginalised children wherever we work. Our 2019–21 strategy emphasised three breakthrough objectives:

- tackling childhood pneumonia
- expanding access to good-quality early learning
- protecting children in conflict.

Our fundamental belief in the rights of children means delivering food, medicine and protection, and – critically-– holding governments to account to provide these basic needs. We involve children in what we do, listening to them and amplifying their voices for the world to hear.

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Save the Children UK – part of the global movement

As Save the Children UK, we've aligned our plans with the whole Save the Children movement – from other members to country offices – to make the most of our collective strength.

We work in places where our expertise and partnerships make us best placed to change children's lives. We are a major contributor to the movement's humanitarian capacity, including hosting a dedicated Emergency Health Unit (see pages 14 and 17).

We have an integrated advocacy, policy, research, media and campaigns team. We work with other parts of the movement, along with our partners and the children we support to maximise our collective influence over key decision-makers – and to change the world for children.

Working with major donors, corporate partners and the public enabled Save the Children UK to raise a total of £289 million for our work for children in the UK and around the world in 2020.

Covid-19: revising our priorities

The Covid-19 pandemic pushed 1.6 billion children out of school, saw child poverty and malnutrition surge, and exacerbated inequality. The crisis demanded that we revisit the priorities set out in our 2019–21 strategy.

As part of our push for a high-quality education for millions of children, we will prioritise distance and accelerated learning. We will strengthen financial safety nets to help combat growing poverty and malnutrition. We will provide more and better technical expertise to support local programmes and advocacy work. And we will deepen our resolve to make diversity, inclusion, gender equality and anti-racism a central part of our organisation and culture.

A KEY PRINCIPLE: WORKING IN PARTNERSHIP

Many of our most important partners are those we work with day to day.

The Suchana Programme in Bangladesh, for example, brings together a consortium of eight expert organisations led by Save the Children, funded by the EU and UK government,



For Niamh, 5, and her brother Jensen, 7, from Sheffield, lockdown has been tough. "It's been stressful at times. The children get frustrated," says their mum Charlie. Financially it hit the family hard too. "My wages have been cut. I think I'm down about £200 a month," says Charlie.

PHOTO: HANNA ADCOCK/SAVE THE CHILDREN

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Our Suchana programme in Sylhet, Bangladesh gave ten-year-old Taslima's family seeds to grow vegetables and chickens to rear. They use the money from selling the hens' eggs for food, medicine and Taslima's education.

to tackle chronic malnutrition during a child's critical first 1,000 days after conception. This programme supports 250,000 families using an integrated approach, with the highly acclaimed Bangladesh global health research institute icddr,b providing robust analysis.

And our subsidiary Elrha has had a successful year, rapidly adapting their work to support innovation projects and research studies around the world to manage the changes brought on by Covid-19. Elrha scaled-up promising solutions to support handwashing and hygiene behaviours in countries affected by crisis and as part of an urgent funding call supported 15 health research studies to rapidly contribute to the Covid-19 response in humanitarian settings.

Across the world, Save the Children works with more than 50,000 volunteers and over a thousand partner organisations. As a movement, we have committed to the principle of localisation and in 2020 agreed to go much further with this approach in the years ahead. Across our development, humanitarian and domestic work, we'll seek more diverse partners, and encourage and support their empowerment.

Since Save the Children UK was established a century ago, the Save the Children family has grown to become a global movement fighting for the rights of children everywhere. We share common values and apply 'common approaches', adapted to the specific context. By bringing together our collective strength we achieve far more than we could alone. This has been more important than ever in 2020, as we responded together to the coronavirus crisis.

Our work depends on our generous funding partners, from individuals to corporate and philanthropic organisations to governments and international agencies. These partnerships involve far more than money; the most challenging problems require collaborative approaches, and we work together with our partners to co-create innovative interventions. In 2020, for example, we:

- worked with 95 partners in the UK to deliver our emergency grant programme to more than 10,000 children, to help families in the UK purchase food and other essentials (see page 13)
- strengthened our partnership with UNICEF, to get children safely back to school and learning
- worked through the Collaborative Cash Delivery Platform to improve the way $2.2 billion of humanitarian cash assistance is delivered
- as grant custodian, helped support Start Network launch a Covid-19 Global Fund, which allocated over £7.2 million to 51 responses, reaching more than 6.7 million people
- hosted the Scaling Up Nutrition (SUN) Civil Society Network, which is part of the global SUN movement to end malnutrition, helping the network disburse ten small grants of around $5,000 to national civil society alliances in countries tackling high rates of malnutrition.

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WHERE WE WORKED IN 2020

OUR WORK AT HOME IN 2020

Even before 2020, 30% of children in the UK were living in poverty. When the coronavirus pandemic hit, we revamped our services in some of the poorest parts of the country to make sure children stuck at home could keep learning. We rapidly developed an emergency response plan and campaigned across the UK to help families get the support they needed to make it through the crisis.

Read more about our response to Covid-19 in the UK on page 13.

Save the Children works with children and communities across the UK, with staff, partners, branches and community fundraising groups, shops and regional offices throughout the country. We work closely with the communities we serve.



CAMPAIGNING AND ADVOCACY

We supported the fantastic work of #MumsOnAMission, who have successfully taken the government to court over the way childcare support is provided via Universal Credit.



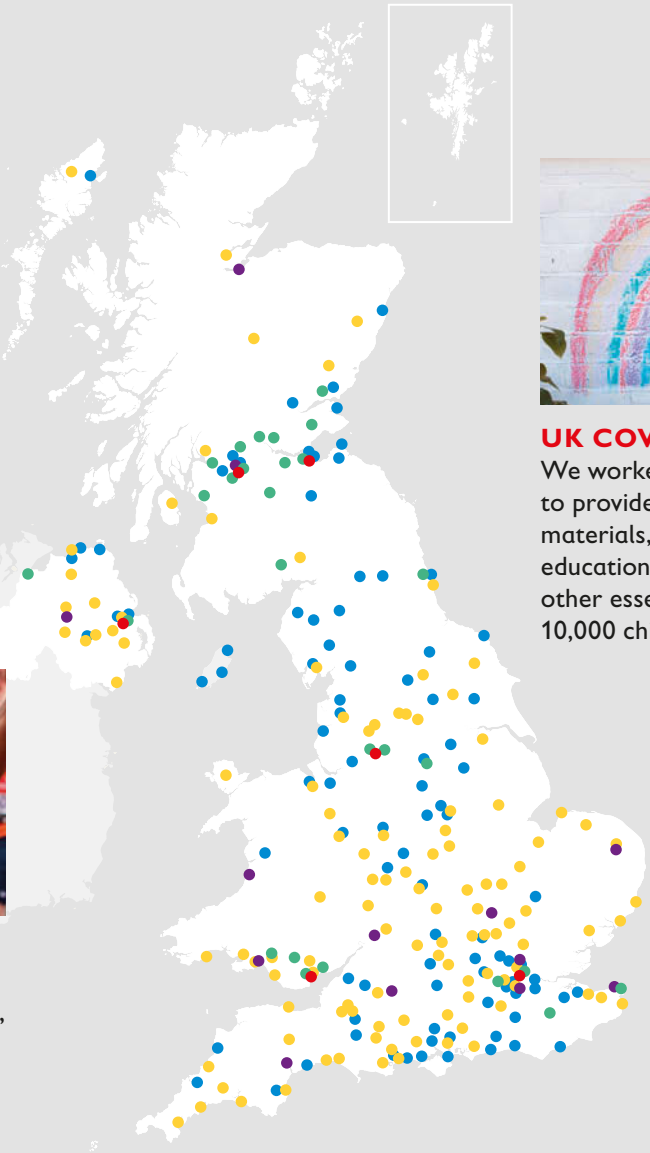
UK COVID-19 RESPONSE

We worked with partners to provide early learning materials, food vouchers, educational toys and other essentials to around 10,000 children (see page 13).



FUNDRAISING

The public generously supported our Covid-19 appeal, donating £2.3 million to help families in the UK and around the world during the pandemic.



** Branches and community fundraising groups are run by volunteers who raise money and engage with people and organisations in their community, such as schools, companies and MPs, on behalf of Save the Children UK.*

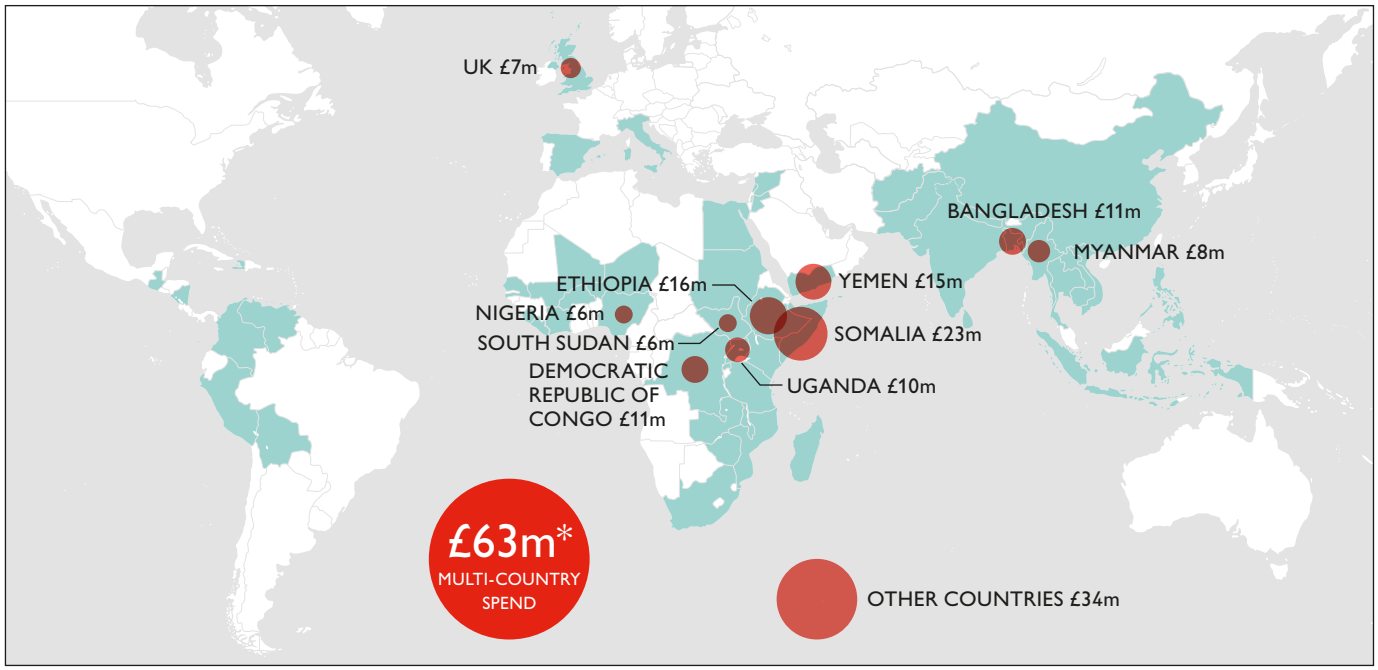
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OUR GLOBAL RESPONSE IN 2020

The Save the Children movement works in 117 countries, putting the most deprived and marginalised children first to help them survive, learn and be protected.

In 2020, Save the Children UK supported the movement in 53 of these countries with technical expertise, funding, strategic and governance support, advocacy and policy influencing, programme management and humanitarian response. We also supported staff, partners and the wider sector with capacity building programmes. To find out more about our global response this year, including our response to the Covid-19 crisis, see pages 12–33.

Save the Children UK spent £210 million on programme work across the world in 2020. The map below shows where those programmes were and highlights the ten countries where we spent the most.



** Around £63 million of global programming spending is multi-country. This includes Start Network grants, for which we have a contract with donors as the grant custodian (£33 million), and our subsidiary entity Elrha (£8 million). It also includes humanitarian spend (£14 million) through our Emergency Health Unit and humanitarian department; programmatic contributions to Save the Children country offices (£5 million); and contributions to Save the Children International's pooled funds (£3 million).*

COVID-19'S DETRIMENTAL IMPACT ON OUR DATA-GATHERING

When the World Health Organization declared the Covid-19 outbreak a pandemic in March 2020, Save the Children technical advisers quickly developed internal guidelines to adapt all the activities of our projects in countries affected by the crisis.

We brought in social distancing and other procedures to avoid exposing the people we serve to the risk of infection. We also reviewed the ways in which we collect evidence to ensure they're safe, feasible and worthwhile. As a result, some planned evaluations were delayed, and others adapted. In many cases, we turned towards remote data collection, over the phone or online.

Since many of our programmes are delivered in places with limited phone or internet coverage, our data collection has inevitably been less comprehensive and robust. For instance, we had planned to measure the impact of our Girls Education Challenge programmes in Mozambique and the Democratic Republic of Congo using an independent think tank to test the students. Instead, as schools were closed, we had to rely on phone interviews and reports from their teachers.

While we are pleased with the impact evidence in this report, it has to a small degree been impacted by this setback.

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CORONAVIRUS: A GLOBAL CRISIS

The Covid-19 pandemic has caused untold damage to children's health, wellbeing and education. But significant societal disruption can also offer an opportunity to come together and reshape the future for children.

Miss that opportunity and we risk throwing 30 years of progress – in reducing poverty, cutting child deaths and expanding access to learning – into reverse.

In 2020, as coronavirus spread at terrifying speed, Save the Children and our partners rapidly adapted. We launched Protect a Generation, our four-pronged global fightback against the pandemic, to support children across four key pillars.

It's the beginning of a long-term response towards building a better post-Covid-19 world.



PILLAR 1

Mitigate the impact of Covid-19 on child survival



PILLAR 2

Help children learn, stay safe and return to school



PILLAR 3

Support family survival and food security through safety nets



PILLAR 4

Keep children safe in their home and in communities

29.5 MILLION CHILDREN AND ADULTS

supported across 87 countries by our movement's Covid-19 response in 2020, including:

- 1.1 million households supported to access safe water and handwashing facilities with soap
- 391,000 children under five treated for acute malnutrition
- 117,000 community health workers supported or trained
- 3.4 million children supported with distance learning
- 87,000 children with disabilities supported with distance learning
- 553,000 households given cash transfers and/or vouchers
- 112,000 children received case management support
- 246,000 children and 378,000 adults received mental health and psychosocial support

THE HIDDEN IMPACT OF COVID-19 ON CHILDREN

We conducted the world's largest study on the impact of Covid-19 on children, with more than 8,000 children and 17,000 parents and caregivers across 37 countries:

- Finances: Three-quarters of households lost income because of the pandemic, with poorer families most affected. Four in five families struggled to pay for food.
- Health: Most caregivers and parents reported difficulties in accessing healthcare because of Covid-19 disruptions.
- Domestic violence: Nearly one-third of households had a child and/or parent/caregiver reporting violence in the home, including verbal and physical abuse. Violence was reported at higher rates by children when schools were closed.
- Education: During school closures 84% of children reported learning little or nothing. Children's priority message for their leaders was the importance of reopening schools.
- Mental health: 83% of children reported more negative feelings, directly linked to school closures. Children who were not in touch with friends were ten times more likely to experience negative feelings.

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THE IMPACT OF COVID-19 IN THE UK AND OUR RESPONSE

Here at home, families already struggling to make ends meet fell rapidly into crisis. They faced financial pressures, increased stress and the demands of home schooling, often with little or no access to the internet or a computer. We acted quickly, launching a tailored emergency response for parents and children at home in April.

REVAMPED BUILDING BLOCKS

We rapidly adapted our existing Building Blocks programme and worked with partners to identify families who were most vulnerable and provide support last year to around 10,000 children across the UK. Our emergency grant, distributed with our partners, delivered early learning packs with educational toys, activities, books and games for children and parents to use together; supermarket and Argos e-vouchers; toys and games from partners Hasbro and LEGO; and household essentials, such as children's beds, high chairs and dining tables.

Through our partners we also delivered 35,700 packs put together by early years experts with guidance and activities for parents and children.

- 98% of families said supermarket vouchers were of most help, giving more autonomy and financial stability.
- 87% gave the items and vouchers they received a rating of 5 out of 5.

Their feedback will shape how the programme evolves. It also provides robust evidence to call on the government to increase financial support for families.

UK POVERTY: STANDING UP FOR FAMILIES PUSHED INTO CRISIS

The pandemic has been devastating for families already living in poverty and has pulled many more into hardship. Job losses, reduced working hours and less disposable income from furlough have hit family earnings hard, while having children at home during working hours has squeezed finances even tighter.

We partnered with the Joseph Rowntree Foundation to campaign for extra social security support. And we supported the fantastic work of #MumsOnAMission, who have successfully taken the government to court over the way childcare support is provided via Universal Credit. We worked closely with the Food Foundation and Marcus Rashford's team in their campaign to help schoolchildren who were going hungry during lockdown and we called for a 'Winter Plan for Children', asking the government to provide more income, childcare and food support to families who were set to face a difficult winter.

LIFE UNDER LOCKDOWN

We want to make sure that the experiences of children living under lockdown are understood, and that they shape our national conversation about what happens next. Drawing on online sessions with friends and supporters, conversations in communities where we work, and insights from other organisations, our *Life Under Lockdown* report portrays the experiences of children and families.

Many of the experiences of children in the UK and around the world are universal, and it is critical that their views are heard, and help shape decisions to recover from this crisis.



Seona, Zen and Ziggy, in Dundee, Scotland. A single mum with baby twins and little support, Seona found the first lockdown really tough. A cut in her working hours meant she struggled to make ends meet. Our emergency grant eased the pressure. "The vouchers have been my absolute lifeline," she says.

PHOTO: SANDY YOUNG/ SAVE THE CHILDREN

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FIGHTING CORONAVIRUS ACROSS THE WORLD

In 2020, we worked with partners to prevent and contain the spread of the virus through communities facing pre-existing vulnerabilities – in refugee camps, conflict zones and urban slums.

Where cases were already high, we provided protective equipment, medical supplies and training for local health workers, and helped set up hospitals to isolate and treat coronavirus patients. And we made sure children could keep learning during the pandemic.

Visit Save the Children's Resource Centre to read about the impact of our movement's Covid-19 response in 2020.

KEEPING OVERSTRETCHED HEALTH SYSTEMS UP AND RUNNING

The Covid-19 pandemic has stretched already fragile health systems to their absolute limits. Crucial services, such as routine immunisations and primary healthcare, were disrupted, putting children at risk.

Save the Children UK's Humanitarian Public Health Technical Unit and our Emergency Health Unit provided technical leadership, expertise and operational support for the Save the Children movement's global Covid-19 response. We supported public health programmes in 40 countries, including establishing eight Covid-19 isolation and treatment centres (ITCs).

Operating alongside local health workers, our Emergency Health Unit – medical teams who deliver rapid, high-quality healthcare for children caught up in crises – helped countries provide lifesaving Covid-19 treatment. The teams trained health and support staff and advised community health workers on managing Covid-19 cases.

In April 2020, the Johns Hopkins Centre for Humanitarian Health predicted a catastrophic Covid-19 outbreak in the world's largest refugee camp in Cox's Bazar, Bangladesh. In anticipation, and as part of the health sector response led by the World Health Organization, our Emergency Health Unit responded rapidly in May, setting up a 60-bed isolation and treatment centre in the camp to provide care for Covid-19 patients. The isolation centre was not fully utilised as thankfully, a large-scale outbreak did not materialise in 2020.

Save the Children UK's public health experts found ways to help keep life-saving services going in countries around the world by finding new ways of working. Directly and through our partners, we:

- taught parents how to screen their children for malnutrition
- gave mothers telephone consultations on pregnancy and nutrition
- trained health workers on Covid-19 infection prevention.

HARNESSING HYGIENE TO FIGHT THE SPREAD OF INFECTION

Through the Hygiene & Behaviour Change Coalition, established by Unilever and the UK government, we promoted improved handwashing and hygiene practices to tackle the spread of Covid-19 among communities most at-risk. With support from our partners, we've already:

- reached hundreds of millions of children and adults indirectly with information on Covid-19 and hygiene
- distributed more than 580,000 critical hygiene and sanitation products and services, including 400,000 bars of soap provided by Unilever
- trained 1,600 Save the Children staff, health workers and others in infection prevention and Covid-19 messaging
- provided over 180,000 critical water, sanitation and hygiene (WASH) supplies to 117 health facilities.

COVID-19 RESPONSE: HAVE WE DELIVERED?

Our global movement Covid-19 mid-action review found that overall, Save the Children delivered a strong response for children:

- We delivered for children, finding innovative ways to adapt and keep our existing programmes running.
- We came together. Staff in all parts of the organisation collaborated in new ways, learned from each other and demonstrated a sense of shared purpose.
- We engaged with others. We were heavily involved in the UN's Global Humanitarian Response Plan and played a leadership role through the Global Education Cluster.

However, the response also faced challenges:

- We were slow to recognise the nature and scale of the crisis; though, once we did so, we moved fast.
- Following the profound changes that are taking place, we are not yet clear or aligned on our positioning for the future.
- We struggled to get funds to the places most in need.

We used these findings to develop a management response plan for implementation in 2021, adapting our approaches where necessary. We will learn from our Covid-19 response, build on what worked, and take steps to make further improvements.

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ADVOCATING FOR THE COVID GENERATION

Today's generation of children carry our hopes of a brighter future, of a better post-Covid-19 world. It is the decisions that we, as adults, take at this pivotal moment that will either make building that future easier for this generation or much more difficult.

COVID'S KIDS

As we slowly emerged from the heat of the coronavirus outbreak into a new normal, our *Covid's Kids: Repaying our debt to the Covid Generation* report, published in October 2020, set out a five-pillar framework that should be prioritised for the world's children:

- creating economies in which all children can thrive
- rescuing childhood for the children who've lived through Covid-19
- saving children's natural inheritance
- governing for children's rights – by sharing and building power
- governing for children's rights – through international cooperation

Urgent, transformative action is needed in all five of these areas if children's rights are to be upheld and their life chances improved over the coming decade.



PHOTO: SAID FADHAYE/SAVE THE CHILDREN

PROTECTING GIRLS: PROGRESS IN PERIL

Joint analysis with UNICEF allowed us to develop our own short-term projections of the impact of the Covid-19 crisis on girls. We estimate that the economic impact of the coronavirus pandemic in 2020 alone could put as many as 2.5 million more girls at risk of child marriage by 2025. This is in addition to the 12 million girls who already marry each year.

We published these projections as part of our *Global Girlhood Report 2020: How Covid-19 is putting progress in peril*. Covered by over 1,000 media outlets in 80 countries, the report raised awareness of the risks that the pandemic poses to girls.

This is our first adolescent-friendly global flagship report. It created a platform for girls to raise their voices and showcase their leadership. As part of our work to promote girls' political empowerment, we designed this research for children to use to advocate for themselves.

SAVE OUR EDUCATION

Like millions of children around the world, 13-year-old Hawo has been unable to attend school due to closures.

The rapid spread of coronavirus forced the world's schools to shut their doors to an estimated 1.6 billion learners.

Save the Children UK worked with colleagues across the Save the Children movement to call on global leaders to protect education and put it at the very heart of the global recovery effort.

Debt repayments often prevent countries investing sufficient funds in education. Our advocacy helped to pressure the World Bank to agree to a suspension of debt service payments ahead of its Spring Meetings in April 2020.

The campaign also pioneered digital hangouts – an opportunity for young people from across the world to meet virtually with government representatives to put across their recommendations for continuing children's education during the pandemic.

To find out more about how Covid-19 may impact the funding of education, the most at-risk countries, and the change we want to see, see our *Save Our Education* report. To read about our *Safe Back to School Practitioner's Guide*, see page 23.

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BREAKTHROUGH: SURVIVE

Global breakthrough: by 2030, no child will die before their fifth birthday from preventable causes.

The number of children dying before their fifth birthday has dropped significantly, by almost 60% since 1990. Child mortality rates today are the lowest they have ever been.

Despite this dramatic progress, we are a long way from reaching the UN's Sustainable Development Goal to reduce child mortality to at least as low as 2.5% in every country by 2030.

More than 5 million under-fives continue to die every year – ten children every minute – and most from illnesses that are entirely preventable. Every one of these deaths is a tragedy.

The coronavirus pandemic threatens to stall the progress we've made. In our 2020 report *Nutrition Critical: Why we must act now to tackle child malnutrition*, we estimated that without immediate countermeasures, an extra 168,000 children under five will die from malnutrition by the end of 2022 because of the pandemic. The crisis has also disrupted critical childhood immunisation programmes in around 70 countries.

Our 2019–21 strategy, including our revised priorities in light of the pandemic, aims to get us back on course. It demands a relentless focus on the health and nutrition of the poorest and most marginalised children – those left furthest behind.

Alongside children and their communities, we are working closely with local experts, national governments and global partners to strengthen both our own response and national policies and systems, so that no child dies from a preventable cause.

Through our advocacy and campaigning work, we're making the case for universal health coverage, so that the most deprived children can get the healthcare they deserve. And we're prioritising the areas where we can save most lives. In 2020, we and our partners:

- delivered life-saving healthcare and nutrition to 9 million children caught up in humanitarian emergencies, including the coronavirus pandemic
- tackled pneumonia – the single largest infectious killer of young children worldwide – by helping to supply children in hospital with oxygen, make life-saving vaccines more widely available, and convene global health experts and decision-makers to find new ways of fighting the disease
- fought undernutrition – linked to nearly half of all deaths in children under five – by warning the world of the additional child malnutrition deaths the coronavirus pandemic threatens to cause and rolling out a new method of malnutrition detection in Kenya.

Our project activities to help children survive are part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with local organisations, and financed by a range of Save the Children members and donors.

27.9 MILLION CHILDREN
reached through our movement's health and nutrition programmes in 2020



Suhuur, 2, and health worker Muna at a camp for displaced families in Somalia. Muna diagnosed Suhuur with pneumonia and treated her successfully. She also referred Suhuur to our clinic for treatment for malnutrition.

PHOTO: SACHA MYERS/ SAVE THE CHILDREN

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DELIVERING EXPERT CARE IN EMERGENCIES



Brian, aged seven months, and his grandmother Gloria during a nutrition survey by our Emergency Health Unit in Zimbabwe. We're providing families with cash grants to buy food, identifying and treating children who are malnourished, and improving access to clean water.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

In 2020, working alongside our partners, the Save the Children movement responded to at least 136 emergencies across 77 countries, directly supporting more than 31 million people, including 18.5 million children. Save the Children UK deployed emergency response specialists and contributed significant funding to our movement's emergency response – from Bangladesh to Zimbabwe to South Sudan.

The coronavirus pandemic dominated our emergency work in 2020. In May, we launched a global movement-wide coronavirus response plan. To find out how we supported children and communities around the world affected by the pandemic, see pages 12–15.

MEASLES OUTBREAK IN SAMOA

The Polynesian islands of Samoa have a population of around 200,000 people. An outbreak of more than 5,700 cases of measles endangered children's lives and threatened to overwhelm the country's health services.

At the request of the Samoan government and the World Health Organization, we deployed our Emergency Health Unit, through the World Health Organization's Emergency Medical Team mechanism, to fill critical gaps in services. The team:

- treated children and pregnant women, including many with measles
- delivered babies, and provided them and their mothers with vital care
- advised Ministry of Health staff on infection prevention and control measures
- provided critical surge support, allowing the Ministry of Health to complete a mass vaccination campaign and end the outbreak.

From December 2019 to January 2020, the Emergency Health Unit reached more than 600 children and adults.

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NO CHILD LEFT WITHOUT HEALTHCARE

We've made rapid recent progress, but so many of the world's children are still being left behind – because of poverty, ethnicity or gender. And every year more than 5 million children die before their fifth birthday – many from preventable causes, such as pneumonia.

We're pressuring governments and working with global partners to improve healthcare for millions.

Every day, with vital support from local partners, our health teams are saving lives in hard-to-reach communities around the world.

THE GROWING GLOBAL DRIVE AGAINST PNEUMONIA

Pneumonia is the single largest infectious killer of young children, claiming more than 800,000 lives every year.

Almost all these deaths are readily preventable with vaccines and treatable with low-cost antibiotics and oxygen. The poorest children are most at risk because of malnutrition, low vaccine coverage and limited access to treatment.



Eight-month-old Umera Bibi is treated for pneumonia at a hospital we support in Cox's Bazar, Bangladesh.

PHOTO: ALLISON JOYCE/SAVE THE CHILDREN

With our colleagues across the movement and through our strategic partnerships, we have kept up the pressure for global action on pneumonia. The culmination of these advocacy efforts was the Global Forum on Childhood Pneumonia, which took place in Spain in January 2020. It was co-hosted by Save the Children, ISGlobal, UNICEF, Every Breath Counts, the Bill & Melinda Gates Foundation, the "la Caixa" Foundation, USAID, Unitaid, and Gavi, the Vaccine Alliance. It brought together 350 of the world's top researchers with high-level government representatives, donors, corporations and civil society staff from 60 countries to work out better ways to fight pneumonia.

We used the Global Forum to prompt a number of specific commitments, including:

- the Nigerian government's introduction of a first-of-its-kind integrated national Pneumonia Control Strategy, developed with our support, which could have far wider application
- Gavi's decision to provide the pneumococcal vaccine (PCV) to Indonesia, a country not previously eligible, and introduce new rules that make it easier for fragile countries to use PCV
- the release by youth representatives of the world's first 'Youth Call to Action on Pneumonia', demanding bold steps from world health leaders.

The Global Forum and its declaration have created a platform on which we can build. We and our partners are now working with several governments represented at the Forum on vital issues such as immunisation, oxygen therapy and Covid-19 responses.

OXYGEN THERAPY FOR HYPOXIC CHILDREN IN NIGERIA

Nigeria is one of five countries that account for over half of all global pneumonia deaths. Oxygen therapy is a critical part of pneumonia treatment, but Nigerian health services suffer from a shortage of oxygen supplies.

Our pioneering INSPIRING project in Nigeria – run in partnership with GSK and the government of Nigeria – is working to address this shortage. It established an oxygen delivery system at Dutse General Hospital in Northern Nigeria. The system connects all beds in the paediatric ward to supply oxygen to hypoxemic children suffering from severe pneumonia and other causes of respiratory distress – including Covid-19 – for free.

This is a remarkable achievement – the hospital's most significant advance since it was established over 20 years ago, according to the hospital director.

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INJECTING NEW LIFE INTO THE FIGHT TO IMMUNISE EVERY CHILD

Immunisation is one of the most successful, cost-effective and far-reaching ways of saving lives. Yet the percentage of children worldwide who receive their full course of routine immunisation has stalled at 86%. In 2019, roughly 14 million children had never received even their first diphtheria-tetanus-pertussis (DTP) dose – pointing to a lack of access to both routine immunisation services and primary care.

The number of children missing out on life-saving vaccinations is widely expected to increase due to Covid-19.

To counter this dangerous trend, with support from the Bill & Melinda Gates Foundation Anchor Grant and alongside key partners in the UK and globally, we worked for 18 months in the lead-up to the UK-hosted Global Vaccine Summit in June 2020 to secure increased government investment in Gavi, the Vaccine Alliance. Since its inception in 2000, Gavi has helped to immunise more than 822 million children and is estimated to have prevented more than 14 million deaths, halving child mortality in 73 countries.

We worked closely with the UK government and Gavi, alongside national and global civil-society coalitions, to strengthen immunisation policy in low- and middle-income countries. Our advocacy efforts also focused on wealthier nations to ensure commitments to routine immunisation as part of the global aid budget.

Our advocacy culminated in the Global Vaccine Summit, which secured a record $8.8 billion in immunisation funding for 2021 to 2025. These funds mean Gavi can now accelerate the roll-out of current vaccines, reach 300 million more children in developing countries by 2025 and contribute to saving an estimated 8 million more lives. These funds will also ensure that health and immunisation systems are strengthened in order to be able to roll out the Covid-19 vaccine in low- and middle-income countries.

"MY MIRACLE BABY!" KANGAROO MOTHER CARE IN KENYA

Preterm birth – that is, before 37 completed weeks of pregnancy – is the leading overall cause of death in children under five globally. Kangaroo Mother Care (KMC) – caring for a premature baby skin-to-skin on the chest of their mother or caregiver, and exclusively feeding breastmilk – is a cost-effective intervention. KMC helps meet a baby's basic needs for warmth, nutrition and protection from infection. Compared with conventional care, KMC is associated with a 40% lower risk of mortality at discharge.

KMC was not an established part of care for preterm newborns in Kenya. That's why, in 2014 working with Kenya's Ministry of Health, and with funding from GSK we introduced KMC to Bungoma County by:

- developing national KMC guidelines and training materials
- training 'master trainers' in Bungoma County and provided nine health facilities with basic equipment and training so they could provide KMC services
- providing supportive supervision and mentoring for health workers and community awareness-raising sessions on KMC.

National interest in KMC grew and we supported scale-up with additional funding from GSK and the County Innovation Challenge Fund. We supported:

- five facilities to become centres of excellence for KMC and host learning visits from decision-makers in other counties
- the formation of a group of national-level master trainers to support counties across Kenya to roll out and implement KMC.

Now babies from 31 counties in Kenya are benefiting from KMC.

Many mothers who provided KMC to their premature babies became KMC champions, like Esther from Bungoma: "My miracle baby! KMC saved my baby's life and I never hesitate to encourage mothers. I have become a KMC champion. I come to the KMC ward, I talk to the mothers and encourage them, giving them my example."

KEEPING ADOLESCENT GIRLS FREE FROM HIV

In 2020, Save the Children improved and increased access to HIV and AIDS prevention, care and treatment for adolescent girls and young women in Turkana County, Kenya. We worked in partnership with AIDS, Population and Health Integrated Assistance, the county health management team (CHMT), Elizabeth Glaser Paediatric AIDS Foundation, community health volunteers and Kenya Red Cross, with funding from the Elton John AIDS Foundation.

We tested 50,000 people for HIV, focusing on adolescent girls and young women. All of those who tested positive (373) were enrolled into anti-retroviral treatment – 100% compared with the county average of 23%. To date, every one of them has remained on treatment and is able to go about their normal life.

As an endorsement of our approach's success, the CHMT is planning to roll it out across the county.

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LEADING THE FIGHT AGAINST MALNUTRITION

Good nutrition saves lives. It is the difference between children just barely surviving or thriving. In the wake of the coronavirus pandemic, and with a global recession widely anticipated, it is more important than ever.

NUTRITION CRITICAL

Nutrition for Growth (N4G) is a global forum that seeks to unite financial commitments and policy solutions on malnutrition from governments, donors and other stakeholders. Participants at the N4G Summit in 2013 committed $23 billion for nutrition. This year, Save the Children sat on the Government of Japan's advisory group as it prepared for N4G 2020, and helped to develop the N4G Commitment-Making Guide and principles of engagement.

When the summit was postponed until 2021, our efforts to secure new pledges for nutrition were knocked back. However, in response, we and our partners offered the Japanese government a vision for a 'Year of Action' to secure urgently needed pledges in 2021. In December 2020, at the kick-off event of the Year of Action, more than $3 billion was committed.

At the end of 2020, we launched a new report highlighting the nutrition crisis exacerbated by Covid-19. *Nutrition Critical* revealed that, unless we act now, on average an additional 153 children will die every single day over the next two years due to malnutrition.

The pandemic could reverse years of progress, with children in Asia and sub-Saharan Africa hardest hit – especially those in poorer households or conflict zones. The report found that families in Nigeria, Mauritania, Niger and Chad are being forced into agonising decisions between buying food or paying for healthcare or education.

We also continued to host the Scaling Up Nutrition Civil Society Network Secretariat, which brings together thousands of civil-society organisations in 60 country platforms. The Secretariat helps these platforms foster good governance and become financially self-sustaining, with the ambition of ending malnutrition for all by 2030. In 2020, more country platforms were funded than ever before.



Munsin, 3, is screened for malnutrition by his mum, Lucky, at home in Somalia.

PHOTO: SACHA MYERS/ SAVE THE CHILDREN

A CRUCIAL METHOD OF MALNUTRITION DETECTION

The task of detecting acute malnutrition often falls to health workers, who have to care for large numbers of children and families. This can mean that early signs are often missed, and children who have acute malnutrition go longer without the treatment they need. The later acute malnutrition is spotted, the higher the chance of complications arising, and the harder it becomes to treat.

In Kenya and Somalia we are working with partners, including UNICEF, to roll out an innovative approach, known as Family MUAC. It involves training families in how to use colour-coded arm-measuring bands – known as mid-upper arm circumference, or MUAC, bands – to detect acute malnutrition in their children. This means families can act faster when their children become unwell, so they can seek treatment sooner. It also minimises the need for contact between families and health workers, reducing the risk of Covid-19 transmission.

Through our Global Malnutrition Initiative, in 2020 we trained more than 6,600 mothers and caregivers in how to use MUAC bands in Somalia and Kenya, and the diagnoses made using this method are 95% accurate. Family MUAC has become a crucial method of detection, especially at a time when health workers are less able to travel to communities to check children's nutrition levels.

"I feel more empowered to be at the forefront in assessing for malnutrition among my children at home."

Asinyen, 32, Kenya

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COLLABORATING AND INNOVATING TO SAVE LIVES

Collaboration is key to our approach. We cultivate strategic partnerships, working with experts in fields such as medicine, education and protection to drive innovation in life-changing products, processes and services. It enables us to deliver results at scale so that many more children get the chance to grow up healthy, educated and safe.

Building on our long-standing partnership with GSK, for instance, we mobilised a joint response to the Covid-19 crisis. Together we adapted our existing health programmes in more than 15 countries, including Yemen and Nigeria, supporting communities' resilience to the disease and equipping health workers to keep life-saving health services going.

We also worked closely with governments and global institutions. For example, we formed a new partnership with the French Development Agency to support Sudan's Covid-19 response in hard-to-reach provinces. To find out more about some of our key partnerships, see pages 9 and 42.

START-UP COLLABORATION: RESEARCH PARTNERSHIP WITH NESTA

Collaboration with innovative start-up organisations could be a key element of building the adaptable new global aid system we urgently need. In 2020, we partnered with Nesta, the UK Innovation Foundation, to explore the potential of start-up collaboration.

As part of ground-breaking research, we held roundtables with third sector and start-up experts, carried out interviews to identify common barriers and good practices and analysed examples of third sector–start-up collaboration. We found many mutual benefits and examples of how collaboration can help organisations increase their impact, including ensuring long-term viability and rejuvenating internal culture and methods.

We published our findings in our report, *Better Together*, to help third sector leaders understand the role of start-ups in delivering innovation strategies. The work has provided a platform on which to build the innovative collaborations essential to achieve more impact for children.

BUILDING CAPACITY AMONG LOCAL HUMANITARIANS

The Humanitarian Leadership Academy (HLA) offers learning and accreditation to humanitarian workers in countries across the world. Its mission: to enable people to prepare for and respond to crises, acting quickly and effectively together to strengthen resilience and to save lives. Formerly a subsidiary of Save the Children UK, the HLA merged with our humanitarian capacity building team and is now a central part of our organisation. This work is a product of both teams.

In 2020, the HLA saw a surge in demand for its services as a result of the Covid-19 pandemic, with the number of people using its online learning platform, Kaya, rocketing from 138,000 to 281,000. In collaboration with colleagues across the Save the Children movement, we developed a Covid-19 online learning pathway to help emergency responders adapt to the new working environment safely – reaching learners from 163 countries.

The HLA's progress in 2020 saw it shortlisted for the prestigious Learning Technologies Awards in five categories, resulting in three bronze medals. It has also developed several new learning programmes and services:

- The online Field Manager in Emergencies Learning and Development (FIELD) programme is designed to fill crucial knowledge gaps for mid-level field managers and to be as accessible and inclusive as possible, so anyone anywhere can use it, free of charge. Since November 2019, FIELD has reached more than 6,700 learners, about a third of whom are women, from 165 countries – most prominently Nigeria, Yemen, Kenya, Somalia and Bangladesh.
- The Covid-19 resource 'grab bag' was co-created rapidly with our network of subject matter experts to provide field managers with pandemic-response resources.
- The Supporting Effective Humanitarian Partnerships learning programme was locally adapted and implemented in South Sudan and Yemen. It put local organisations in the driving seat, enabling them to develop a shared competency framework to define the skills and experience their staff need, and to access the relevant learning content, provided through a bespoke online course, hosted on Kaya. The programme reached 75 local organisations in 2020.

In addition to the humanitarian capacity building led by the HLA, in 2020 Save the Children created six new learning modules and guidelines on how to implement health, nutrition and WASH programmes in a Covid-19 context – hosted on COMPASS, our open-access platform for humanitarians.

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BREAKTHROUGH: LEARN

Global breakthrough: by 2030, all children will learn from a good-quality basic education.

Education empowers children to rise above poverty, realise their potential, and build a better future. The effects ripple outwards – supporting families, communities and nations.

As part of the Sustainable Development Goals, the world has committed to ensure that, by 2030, every child has a good-quality education. In 2019, more children were in school than ever before, but progress towards inclusive and equitable education is still too slow.

Even before the coronavirus pandemic, more than 200 million children were projected to be out of school in 2030.

Inequalities in education are being exacerbated by the Covid-19 pandemic. In low-income countries, children's school completion rate is now 79% in the richest 20% of households and only 34% in the poorest 20%. At the height of the pandemic, more than 1.6 billion learners were out of school. And we know from previous crises that the longer children are absent, the greater the risk that they do not return – more than 9 million children could miss out on education for good because of the pandemic.

In 2020, we worked to tackle the global education crisis, providing children in the UK and around the world with adapted learning support during lockdowns and school closures (see pages 13–14). We worked with communities, partners and governments to:

- make sure children living in conflicts and emergencies – including refugee children – can get the education they tell us is their number one priority
- fight for girls' right to an education and tackle obstacles, such as child marriage, that stand in their way
- improve learning for children during their crucial early years – around the world and among the UK's poorest communities – when it can make the biggest difference.

In 2020, we made sure some of the world's most marginalised children, including in the Democratic Republic of Congo (DRC), Afghanistan and Sierra Leone, could keep learning and even pass their exams. We pushed for children in conflict zones to be kept safe from military attacks on their schools. And where children needed extra support in their early, most crucial years of development – including in the UK – we worked to help them get it.

Our projects to support children's learning are designed to form part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with local organisations and financed by a range of Save the Children members and donors.

12 MILLION CHILDREN
reached through our movement's education programmes in 2020



PHOTO: SEIFU ASSEGED/ SAVE THE CHILDREN

Mahadiya's school in Ethiopia had to close because of the pandemic. Regular visits to her village by our camel library have made it possible for her to keep reading and studying.

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EDUCATION IN EMERGENCIES

Even before the coronavirus pandemic, more than 75 million children in crisis-affected countries were not getting the education they needed to build a better life. Save the Children aims to make sure that despite everything that's happening to them, children in conflicts and areas hit by disaster can get an uninterrupted, high-quality education.

LEARNING THE LESSONS OF THE PANDEMIC FOR REFUGEE SCHOOLCHILDREN

When armed groups in the Democratic Republic of Congo attacked the area where 10-year-old Victoire lived, she was forced to flee. Victoire is now part of a Save the Children programme which helps displaced children return to school.

The coronavirus pandemic hit all schoolchildren hard, but refugee children perhaps hardest of all.

They have less access to the technology necessary for remote learning and are often excluded from national education systems, making it less likely they will be included in Covid-19 response efforts.

With almost half of all school-aged refugee children – 3.7 million – out of school even before the pandemic, an effective, well-funded and well-coordinated international education response for refugees is now an urgent priority.

That's why, in September 2020, Save the Children, Education Cannot Wait, the World Bank and the Abdulla Al Ghurair Foundation for Education co-hosted a high-level, virtual roundtable event. It brought together donors, including multilateral organisations, philanthropists, foundations and NGOs to discuss what we have learned about delivering and funding refugee education during the pandemic and what gaps still need to be urgently met.

It looked at ways of financing refugee education, creating more access to distance learning and ensuring that other school services, such as school meals and mental health support, could continue while schools are closed.

You can read our eight key learnings, notably the need for donors to increase and coordinate their education funding and deliver it at speed, in our outcome paper.

STOPPING ATTACKS ON SCHOOLCHILDREN

Attacks on schools. Soldiers in the classroom. Violent clashes on the route to school. Every year, thousands of children living in conflict zones are denied access to a safe education.

It's a problem the world is finally waking up to. Last year, the UN General Assembly proclaimed 9 September 2020 the inaugural International Day to Protect Education from Attack. Save the Children held a number of events worldwide – from Japan to Ukraine to Niger – to mark the day. We highlighted the impact of attacks on children and called on governments to endorse and implement the commitments set out in the Safe Schools Declaration.

In New York, the day was marked with a UN Security Council Open Debate on Attacks on Education, with particular attention on the Sahel region – the first-ever such debate on the issue. We supported Hadiza, a girl from Niger whose school was attacked, to address the Security Council.

A SAFE RETURN TO SCHOOL

Even before Covid-19, 258 million children across the world were out of school. In April 2020, in the midst of the global pandemic, this reached a peak of 1.6 billion children. To support children's safe return to school, Save the Children led the development of the *Safe Back to School Practitioner's Guide*.

This guide has been developed as a 'global good', endorsed by both the UN Global Education and Protection Clusters. It builds on the UN Framework for Reopening Schools, providing concrete actions that can be taken to implement these global policy recommendations.

More than 19,000 technical experts have been reached through webinars on the guide. Governments and partners are using it to develop national guidelines for safe return to school in Mozambique, Afghanistan, Yemen and Nepal.



Forced to flee her home in DRC, ten-year-old Victoire* is getting catch-up classes so she can go back to school.

PHOTO: HUGH KINSELLA CUNNINGHAM/ SAVE THE CHILDREN

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LEARNING WHEN IT MATTERS MOST

Learning begins long before a child ever walks through the door of their first classroom. The most critical brain development occurs from conception to age three – and can have a profound effect on the course of a child's whole life.

But most children in low- and middle-income countries don't receive any form of early-learning support before they start school.

In 2020, in partnership with governments, education experts, schools, parents and communities, Save the Children continued to help children across the world get the best possible start in life.

EARLY CHILDHOOD DEVELOPMENT IN TANZANIA

Since 2018 we've been working with local partners to support early learning in rural Tanzania – where many children live in poverty and struggle to succeed in school.

In 2020, more than 2,650 parents and caregivers attended our parenting sessions, received home visits and were given learning materials so they can provide a more supportive environment for their children at home. Working with our Tanzanian partner, APD Mbozi, to challenge gender stereotypes, we've encouraged fathers to be more engaged in caring for their children.

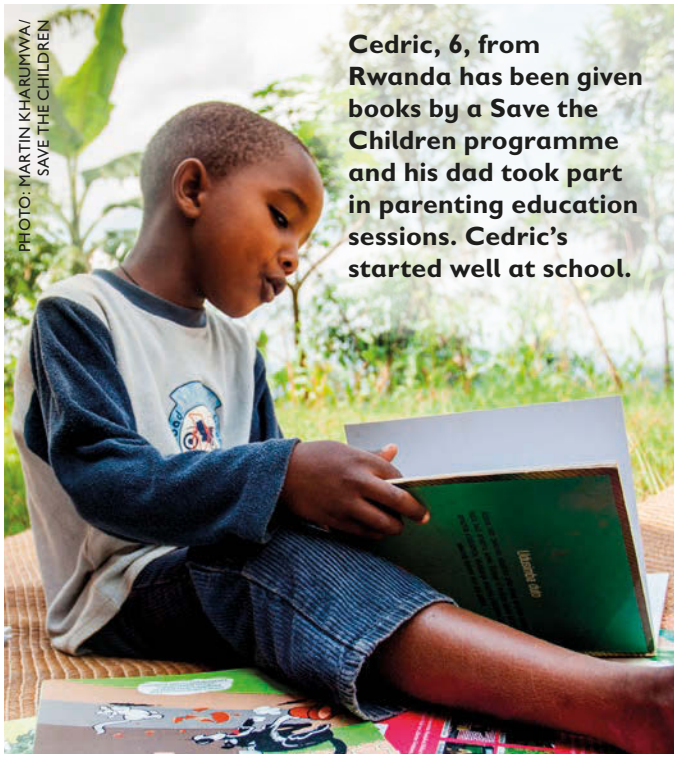


PHOTO: MARTIN KHARUMWA/ SAVE THE CHILDREN

Cedric, 6, from Rwanda has been given books by a Save the Children programme and his dad took part in parenting education sessions. Cedric's started well at school.

Assessments found that since 2018, more than 5,000 girls and boys have benefited from their parents demonstrating increased knowledge and practising simple activities that support their learning and development.

The impact on children's lives has been significant. Mid-term evaluations showed that 73% of caregivers were using practices that support their children's development, versus 44% for those not participating in the project. And children aged 2–3 were more likely to score above average in all areas of their development than their non-participating peers.

We are using this evidence to influence how government and other education providers support early childhood development in Tanzania.

SIERRA LEONE: REACHING CHILDREN LEFT BEHIND

Our ground-breaking education projects in Sierra Leone made sure children could continue their education in 2020, even amid the coronavirus pandemic.

Our Accelerated Education Project (AEP) is specifically designed for students aged between 10 and 16, who were previously out of school and have fallen behind their peers.

During school closures, AEP and our Kimi project adjusted and continued to support children's learning in spite of the challenges of the pandemic. The Kimi project mobilised strong community involvement to keep children learning, supported volunteer teachers to implement community-reading clubs, and supplied teachers and children with radios and learning materials so they could participate in education programmes delivered on the radio.

This support helped the children achieve some outstanding results in their final-year exams, despite the pandemic. Of the 69 Kimi participants – the majority of whom were girls – 91% passed the National Primary School Examinations, while 88% of the 279 students in the AEP also passed the examinations.

ACCELERATING LEARNING FOUNDATIONS: A NEW PARTNERSHIP WITH UNICEF

In October 2020, Save the Children and UNICEF launched Accelerating Learning Foundations – a strategic partnership to tackle the global learning crisis by rapidly helping children to get back to learning. By scaling up proven interventions, we will work with governments, teachers and local partners to improve foundational literacy and numeracy and support children's wellbeing, focusing on the most marginalised children, including girls at risk of early marriage and children with disabilities, who

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face the greatest barriers to accessing a good education and stand to gain the most.

Through country, regional and global education clusters we will ensure effective and inclusive humanitarian coordination with partners. We already coordinate efforts in 25 countries, supporting 27 million children – expecting to rise to 61 million in 2021 with the coronavirus pandemic.

Investment in education is a critical priority for protecting children against the scars caused by the pandemic. We will work with UNICEF and our partners on national and global advocacy and campaigning to mobilise additional financial and political support to address the learning crisis.

FAMILIES CONNECT: BOOSTING HOME LEARNING IN THE UK

The coronavirus pandemic risks widening the attainment gap between children living in poverty and their better-off peers. In areas of disadvantage, there are many families experiencing a range of challenges, such as a lack of time, resources, confidence or skills, to support their children’s learning at home.

Our Families Connect programme supports parents to engage in their children’s learning. It focuses on the social and emotional development, literacy and numeracy of children aged 3–6. In the face of lockdowns and school and nursery closures, we adapted the programme so it could be accessed online.

In 2020, with funding from the Scottish government, we trained 80 teachers and family learning professionals – from local authorities such as North Ayrshire, East Dunbartonshire and Edinburgh – to deliver Families Connect in Scotland. We plan to train a further 50 Families Connect facilitators in Spring 2021.

Feedback from the training has been extremely positive. “I really enjoyed the training sessions and found them useful,” one facilitator told us. “I feel confident, equipped, and excited to deliver this with parents and carers.”

Schools in Scotland are due to start delivery in early 2021. The focus of the programme is to strengthen communication between families and schools and nurseries at a time when it is needed more than ever.

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GIRLS' EDUCATION: FIGHTING FOR EQUALITY

Save the Children is reaching more than 67,000 of the most marginalised girls with our UK government-funded Girls Education Challenge Transition projects: REALISE in the Democratic Republic of Congo, STAR-G in Mozambique, and STAGES in Afghanistan.

DEMOCRATIC REPUBLIC OF CONGO: REALISE

In the Democratic Republic of Congo, as part of our REALISE consortium project, 19,000 paper-based learning packs were delivered to the most marginalised girls and boys to make sure they could continue their learning during the coronavirus pandemic. The packs reportedly contributed to exam success: 85% of target students sat for the national exam and recorded a 91% pass rate, in spite of the school closures. In Ituri, of the 3,306 students we supported, including 1,801 girls, 79% took the exam, of whom 66% passed – a great success in a region badly affected by conflict, as well as the pandemic.

MOZAMBIQUE: STAR-G

In Mozambique, our STAR-G project distributed over 50,000 workbooks which, alongside national education radio programmes, supported children's learning at home during the pandemic.

AFGHANISTAN: STAGES

In Afghanistan, our STAGES project distributed 4,275 home-study packs to ensure students could keep learning during school closures.

The STAGES project has also trained and equipped 262 adolescent girls to become teachers. As well as increasing the girls' individual career prospects, it's work that helps address the critical shortage of female teachers in Afghanistan, which in turn will increase the prospects of more girls getting an education in the future.

> "Education is essential for girls. Education allows girls to support their families financially, to become independent women who are not financially dependent and to help others. I want to finish my studies and help other girls with their education."
>
> Mariam, 17, Afghanistan

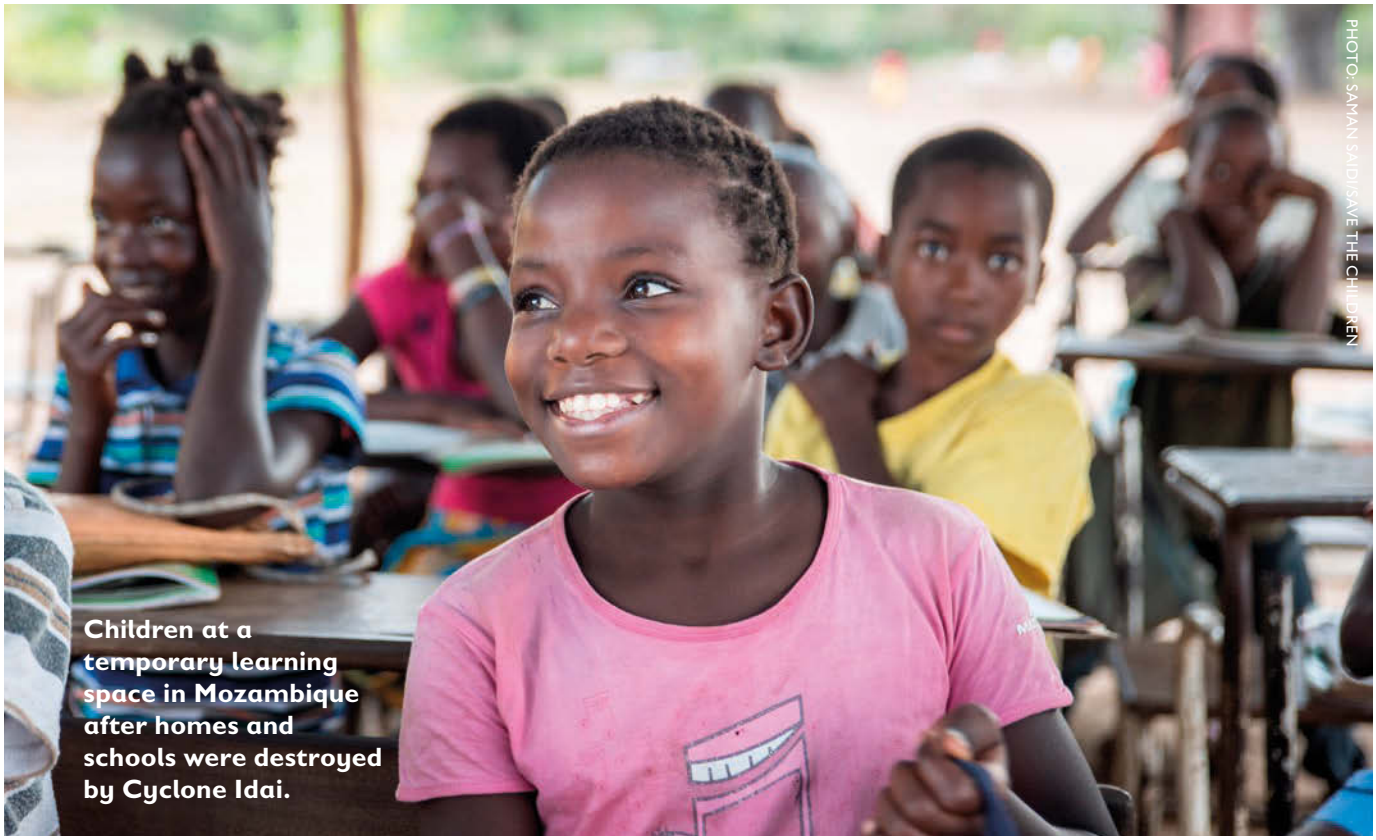


PHOTO: SAMAN SAIDI/SAVE THE CHILDREN

Children at a temporary learning space in Mozambique after homes and schools were destroyed by Cyclone Idai.

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BREAKTHROUGH: BE PROTECTED

Global breakthrough: by 2030, violence against children will no longer be tolerated.

Right now, across the world, millions of children are caught up in conflicts they played no part in creating. Their rights are frequently violated with total impunity.

The protection of children in conflict – and with it the realisation of the promises made in the declarations, conventions and statutes of the 20th century – is one of the defining challenges of our time.

The nature of conflict – and its impact on children – is changing. The world is witnessing deliberate campaigns of violence against civilians, including the targeting of schools, the abduction and enslavement of girls, and military strategies of mass starvation.

2020 was the second year of Save the Children's three-year campaign to Stop the War on Children. It aims to:

- improve the monitoring of, and response to, child rights violations in war zones
- make it easier to bring perpetrators of violence against children to account
- provide children with psychosocial support to help them recover from the effects of war
- by 2021, significantly strengthen and expand our movement's programmes to protect children in conflict.

Millions of children around the world are exposed to other forms of violence too: sexual exploitation, harsh discipline at school, severe punishments in the home. Many others face violence and abuse after being shut away in institutions, caught up in the chaos of natural disasters or confined to detention centres as they flee across national borders. Others are attacked because of a disability or their ethnicity, sexual orientation, gender identity or gender expression.

In 2020, we worked to help children on the frontline of some of the world's worst conflicts – pushing for peace in Yemen, the repatriation of children trapped in Syria and justice for the persecuted Rohingya communities of Myanmar. We helped provide expert psychological support for Palestinian children who've endured Israeli military detention and those left emotionally scarred by the massive explosion in Beirut. And we trained community volunteers in India to protect children at high-risk of abuse.

Our project activities to help protect children are part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with local and national organisations, and financed by a range of Save the Children members and donors.

3.1 MILLION CHILDREN
reached through our movement's child protection programmes in 2020



Shogofa*, 9, with her younger sister Fatima* at a settlement for displaced families near Mazar-e Sharif, Afghanistan. When their home was hit by a rocket, Shogofa suffered severe head injuries and lost several fingers. At the camp she goes to a safe space we run for children, where she gets psychosocial support and the chance to play with other children.

PHOTO: JIM HUYLEBROEK/ SAVE THE CHILDREN

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STOP THE WAR ON CHILDREN

In the shadow of the Covid-19 pandemic, 2020 marked another defining moment for children living in conflict. At the onset of the pandemic, more than 420 million children were living in conflict zones – the second highest number ever recorded – 160 million of whom live in the midst of high-intensity conflicts, like those in Yemen and Syria.

KILLED AND MAIMED

More than 93,000 children have been killed or maimed in conflict in the past decade according to UN data – the equivalent of 25 children a day.

In 2020, Save the Children published *Killed and Maimed: A generation of violations against children in conflict*, the latest in the Stop the War on Children report series. It explored both the scale of violations against children in conflict and the core areas where action is not just possible, but essential.

It called on states to urgently curb the use of the weapons most harmful to children and to endorse a political declaration aimed at curbing the use of explosive weapons in populated areas.

YEMEN: THE PUSH FOR A POLITICAL BREAKTHROUGH

As the conflict in Yemen enters its seventh year, the fighting continues to take a devastating toll. Children and their families are killed or terribly wounded in airstrikes, shelling and ground fighting, and vital infrastructure such as schools and hospitals is destroyed. The added pressures of the Covid-19 pandemic make the need for a concerted humanitarian response in Yemen more urgent than ever.

Save the Children is working with partners in Yemen to ensure that the British government steps up and does its part to protect children and young people trapped in this brutal conflict.

In 2020, alongside the UK government we co-hosted 'Future Generations: Voices of Yemeni Youth'. Our Yemeni partners Youth Platform for Peace and the Sana'a Centre for Strategic Studies Youth Initiative used the event to make the voices of Yemen's young people heard, bringing new and diverse perspectives into discussions about securing a sustainable peace.

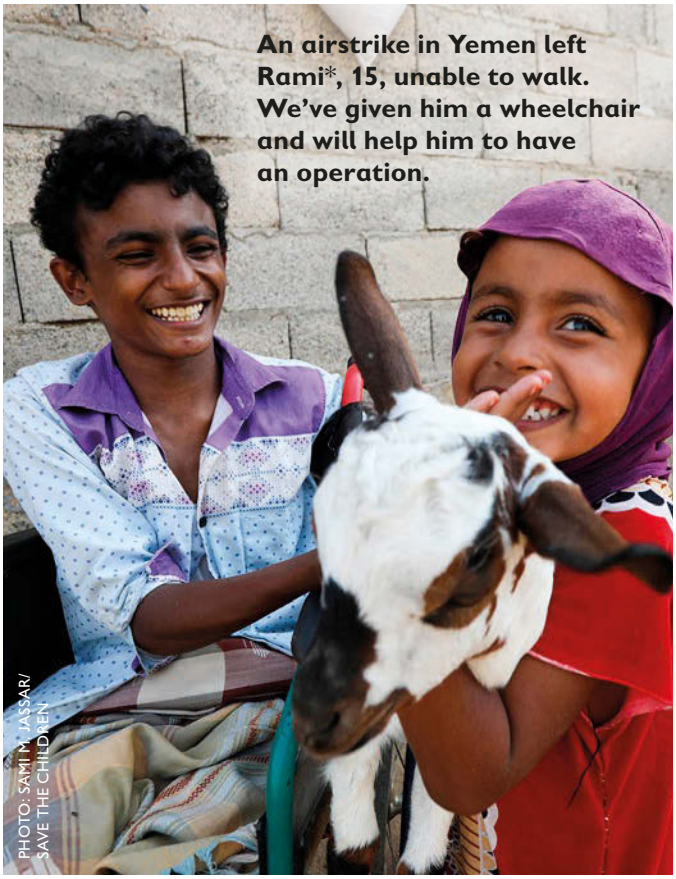
> **"One of the most frightening things about this war is that it may rob young Yemenis of their ability to dream and hope."**
>
> Anonymous, Yemini youth activist

REPATRIATING BRITISH CHILDREN STRANDED IN SYRIA

Throughout 2020, we continued to call on the UK government to repatriate the British children who remain stranded in desolate camps in north-east Syria. While three children were brought to the UK in November 2019, as many as 60 British children remain in Syria.

As the only child-focused agency working with these communities, we brought global attention to the desperate conditions in the camps. In August, we spoke out about the rapid deterioration of health facilities in Al Hol camp, which saw eight children under five die in the space of five days. We called on the UK and other governments with nationals in the camps to undertake urgent repatriations in light of the dangers posed to children – threats exacerbated by the spread of Covid-19.

In September, the UK government repatriated a young British child from one of the camps, where they were being cared for by Save the Children staff. In announcing the successful repatriation, Foreign Secretary Dominic Raab tweeted: "Pleased we have been able to bring home



An airstrike in Yemen left Rami*, 15, unable to walk. We've given him a wheelchair and will help him to have an operation.

PHOTO: SAMI M. JASSAR/ SAVE THE CHILDREN

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a British child from Syria. Safely facilitating the return of orphans or unaccompanied British children, where possible, is the right thing to do."

We continue to advocate for the repatriation of the remaining British children from the camps.

JUSTICE FOR ROHINGYA CHILDREN

Three years ago, a campaign of violence – which the UN described as ethnic cleansing – saw more than 700,000 people from the Rohingya community forced to flee their homes in Myanmar. There are now approximately half a million Rohingya children living in the camps of Cox's Bazar, Bangladesh. Many of them have experienced or witnessed horrific acts of violence and abuse.

In February 2021, the same military involved in the violence against the Rohingya in 2017 seized control of Myanmar in a military coup. At the time of writing, at least 43 children have been killed in the military crackdown, demonstrating the utter disrespect of armed forces for the lives of children.

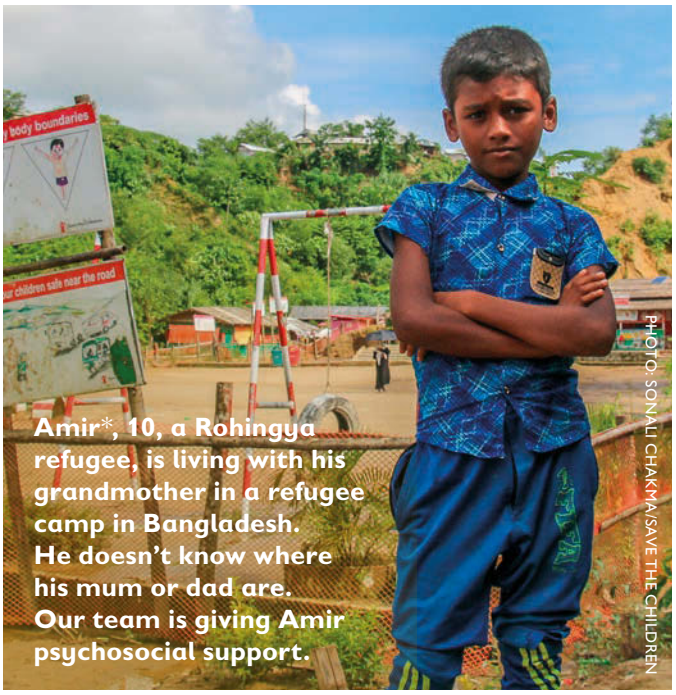
To mark the third anniversary of the assault on the Rohingya, we supported campaigners to meet MPs and delivered an online solidarity book containing messages from the British public to the UK government. We worked closely with government officials to organise a ministerial roundtable on the issues facing Rohingya children and organised two virtual events in Parliament: one with the British Rohingya diaspora group and the Shadow Foreign Secretary, and the other with a cross-party parliamentary group, attended by the Foreign Secretary, the former UN Special Rapporteur on Myanmar, and Philippe Sands QC, the renowned international lawyer.

These lobbying efforts saw the UK government announce new funding of over £47 million to provide Rohingya refugee families with food, healthcare, water and sanitation, as well as care and counselling for those traumatised by violence.

THE IMPACT OF ISRAELI MILITARY DETENTION ON PALESTINIAN CHILDREN

Growing up under military occupation and amid recurring conflict has had a profound impact on the physical and mental wellbeing of Palestinian children – especially those who have endured the Israeli military detention system. Living under Israeli military law, they are the only children in the world who are systematically prosecuted in military courts. They face trials that fail to meet juvenile justice standards.

In the past 20 years, an estimated 10,000 Palestinian children have been held in Israeli military detention.



Amir*, 10, a Rohingya refugee, is living with his grandmother in a refugee camp in Bangladesh. He doesn't know where his mum or dad are. Our team is giving Amir psychosocial support.

PHOTO: SONALI CHAKMA/SAVE THE CHILDREN

We're working with our partners to provide legal representation for children who are detained without it. We're also giving children who've been detained psychosocial support, catch-up classes to help them return to school, and vocational training to help them find work when they're old enough.

In 2020, we surveyed more than 470 girls and boys across the West Bank to hear about their experiences of detention, as part of our report on the impact of the Israeli military detention system on Palestinian children. The majority reported they had endured:

- a distressing or violent arrest or detention, in most cases at night
- coercive interrogation
- physical and emotional abuse in detention
- denial of essential services, including an adequate education.

Every one of these abuses constitutes a breach of rights enshrined in international law.

Our research also revealed the lasting impacts of detention on children's lives – anxiety, depression, behavioural changes, eating and sleeping disorders, and physical symptoms including chest pains, exhaustion and numbness.

We're calling on the Israeli government to respect international law and to end the detention of children under military law and their prosecution in military courts.

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HEALING CHILDREN'S PSYCHOLOGICAL SCARS

One in six children live in conflict zones around the world, often with prolonged long-term mental health consequences. And when disasters strike, children can suffer severe psychological trauma. Severe and prolonged stress can alter the architecture of a child's brain, impeding their development and increasing the risk of mental health problems in adulthood. Save the Children works to make sure children caught up in conflict can get the expert psychological support they need.

BEIRUT EXPLOSION: DELIVERING PSYCHOLOGICAL FIRST AID

In August, a warehouse exploded in Beirut's main port, killing more than 200 people, and injuring around 6,500. Thousands of families lost their homes as 3,000 buildings were badly damaged by the blast, including hospitals and schools.

The explosion was incredibly frightening for children and has left many suffering night terrors. We delivered psychological first aid sessions to 369 children and their parents to help them process what they've been through. We also provided 54 children and carers with sessions to support their long-term emotional recovery.

We teamed up with the Lebanese Ministry of Public Health to deliver psychological first aid training sessions to 61 partner staff so we can help more children now and in the future. We set up 140 child-friendly spaces, or pop-up play tents, so that children could play together and regain some sense of normality.



PHOTO: WALID KHOURY/SAVE THE CHILDREN

Our team supported 11-year-old Lama* following the terrifying explosion in Beirut in August.

Our psychosocial support was part of a comprehensive response to the explosion. With support from local partners, we also provided:

- 5,000 debris-removal kits, including helmets, goggles and shovels, to the Lebanese Red Cross
- 16,800 hot meals to families in the immediate aftermath of the explosion
- 1,914 families with cash grants so they can buy what they need to support their children
- 236 families with cash to cover their rent while they get back on their feet
- 2,171 shelter kits to help weatherproof homes before the winter, and we began repairing houses for the long term.

Our team in Lebanon will continue to support families and help them rebuild their lives.

ARSENAL FOUNDATION: COACHING FOR LIFE

As part of a unique partnership, Save the Children UK and the Arsenal Foundation have developed the three-year 'Coaching for Life' programme. Through football, children aged 12 to 18 get the support they need to explore and manage their emotions, develop their decision-making and conflict-management skills, and build resilience and relationships.

During the first half of 2020, almost 1,000 Syrian refugee children living in Za'atari camp in Jordan and 344 children from the slums of Indonesia's capital Jakarta took part in the sessions.

An impact evaluation found that children showed a significant increase in their resilience and wellbeing scores after participating in the programme.

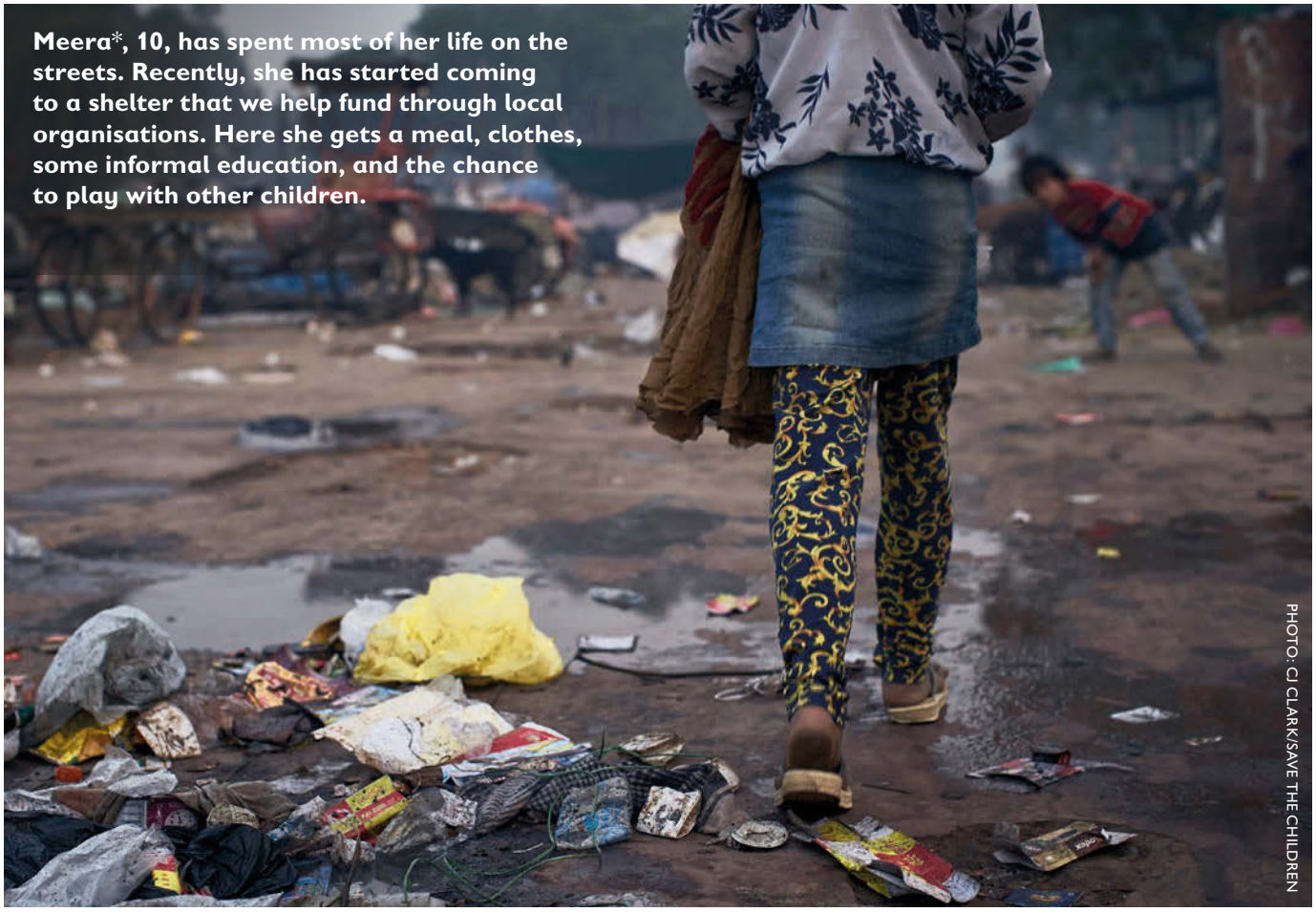
As Indonesia and Jordan went into lockdown, we adapted the programme so it could be delivered remotely, holding sessions with children and their parents through digital platforms, moderated by our coordinators. Children were able to discuss and share their feelings, and learn about ways of staying healthy, active and safe.

As 13-year-old participant Azima told us: "Staying in contact with us during the curfew was the biggest support [that] has helped us to pass the crises of Covid-19."

We even created a video with Arsenal and the Jordanian Ministry of Education featuring football exercises to help the children stay active. It was broadcast on Jordanian TV as part of a national home-learning initiative.

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KEEPING CHILDREN SAFE FROM ABUSE



Meera*, 10, has spent most of her life on the streets. Recently, she has started coming to a shelter that we help fund through local organisations. Here she gets a meal, clothes, some informal education, and the chance to play with other children.

PHOTO: CJ CLARK/SAVE THE CHILDREN

Violence takes many forms, including physical, emotional and sexual abuse and exploitation, and neglect or deliberate deprivation. Worldwide, 152 million children are victims of child labour. One in 10 girls has been sexually abused by the age of 20. And 20% of women aged 20 to 24 were married as a child.

We're committed to keeping children safe from abuse. As well as working to support children at risk of abuse, we're helping governments around the world strengthen their child protection systems and train social workers.

THE TRAINED VOLUNTEERS PROTECTING CHILDREN IN INDIA

Millions of children in villages across India have little protection from violence, abuse and exploitation, such as child marriage, hazardous child labour and trafficking. The necessary laws and policies exist but are often not implemented.

Save the Children has partnered with four Indian organisations and the governments of two states – West Bengal and Jharkhand, which are both child-trafficking hotspots – to support the creation of a new cadre of community-level child protection volunteers.

We've trained them to identify children at risk of abuse and refer those at critical risk to the government's District Child Protection Unit. They also provide case management to children at medium risk, ensuring they are referred to critical services or support at the community level, to protect them from violence, abuse, exploitation and neglect.

An external project evaluation confirmed that the new community volunteers were able to identify and assess vulnerable children and provide them with protection services. Almost 3,000 of these children in the two states have been identified and referred for such services and support.

Government officials and workers also reported that there has been a reduction in child marriage and dropout rates from school, and an increase in the reporting of community-level protection cases. There are now ongoing discussions about scaling up the model and replicating it in other Indian states.

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TACKLING CHILD POVERTY

Poverty affects children disproportionately. Globally, one child in five lives in extreme poverty, on less than $1.90 a day. Their families struggle to afford the basic health care and nutrition they need for a healthy start in life, or the education they need to flourish.

4.5 MILLION CHILDREN
reached through our movement's child poverty programmes in 2020

SOCIAL PROTECTION: A TOOL TO END CHILD POVERTY

Social protection – the government programmes and policies that ensure children and adults reach an adequate standard of living, improve their ability to cope with risks, and enhance their social status – plays a crucial role in the lives of children.

This has never been more publicly apparent than in 2020. In the UK alone, there was intense public discussion about the importance of social protection programmes like free school meals, Universal Credit and furlough payments. We stood up for children in the UK hit hard by the Covid crisis (see page 13).

As the coronavirus pandemic devastated the lives and livelihoods of families around the world, social policy experts from Save the Children UK co-authored a major new report – *A Foundation to End Child Poverty: How universal child benefits can build a fairer, more inclusive and resilient future*. It sets out a strong, evidence-based case for increasing access to social protection for children and caregivers. And it calls on governments to consider how to make that access universal and deliver on every child's right to social protection so they are guaranteed an adequate standard of living.

Following on from this work and from proposals we made to the government of Ethiopia, its Ministry of Women, Children and Youth included universal child benefits in its proposed 10-year plan. This is a huge step forward in putting children's right to social protection at the heart of government decision-making.

Protecting children from extreme poverty in Nigeria

In Nigeria home to the highest number of children and adults living in extreme poverty in the world, our government-funded Child Development Grant Programme (CDGP):

- supported the design and approval of the first-ever state social protection policies in Kaduna and Zamfara states
- successfully advocated for the ring-fencing of an annual state budgetary commitment for social protection in Kaduna state, worth approximately £1 million in 2021
- supported Jigawa state to roll out its first ever cash transfer programme, designed for pregnant women and breastfeeding mothers to prevent maternal and child malnutrition
- helped secure the release of 90 million naira (£154,000) of state funding in Jigawa to tackle child malnutrition, using a model developed by CDGP
- supported Nigerian civil society to establish platforms that will hold state and federal governments accountable for investing in social protection.

In response to Covid-19, we also worked with the federal government to adapt its national cash transfer programme, so it could continue delivering income support to families in vulnerable circumstances in a safe and timely manner.

The power of cash in a crisis

Since 2016, Save the Children UK has played a pivotal role in promoting the uptake of cash and voucher assistance in many of the movement's programmes.

At the forefront of delivering cash transfers to millions of families are Save the Children's country offices and national and local partners. In 2020, these teams in-country delivered over $96 million directly into the hands of families living in poverty in some of the world's toughest places, either in the form of cash or vouchers.

That's why, in 2020, we worked intensively with country offices to help make sure they had the systems and capacity in place to provide cash transfers in a timely, safe and cost-efficient manner. According to our new rating system, of the 22 countries that adhered to the initiative, 16 recorded an improvement in their preparedness rating.

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BETTER DATA TO TARGET INEQUALITY

The Sustainable Development Goals pledge to leave no one behind, but across the world, there remain deep and persistent inequalities – in health, incomes and education. With Covid-19 threatening to derail progress and further deepen inequality, it has never been more important to prioritise reaching those children and adults who are the most marginalised.

A vital first step towards tackling inequality is improving the global data that tracks it. So in 2020 we stepped up our efforts to push for better data.

On the GRID

At the beginning of the year, we launched a large update to our Child Inequality Tracker, GRID. It gave us better data-driven insights into how child outcomes vary by gender, wealth or region, and into inequality trends across countries. We use data from GRID in our policy work, including the Global Girlhood Report 2020, and also to advocate for more and better data on inequalities with multilateral agencies and governments. Our GRID data is increasingly referenced by other development partners, for instance by the Global Nutrition Report – a multi-stakeholder initiative of global institutions, and the world's leading independent assessment of the state of global nutrition.

Data-driven investment

To reduce inequality, governments need to invest more in children, especially those who are most marginalised. This kind of targeted investment requires accurate data – data that will help civil servants and development organisations make better funding decisions. Currently, many governments lack data on how much their spending on education or health actually benefits the poorest people in society. That is why we worked with UNICEF in 2020 to propose a new indicator to the UN Statistical Commission, which was approved in March. The indicator requires governments to measure what percentage of spending on social services directly benefits people living in poverty. This indicator helps governments and civil servants to better understand how their policies impact people in the most vulnerable situations. It also enables citizens and civil society organisations to hold their governments to account.

Tracking the impact of Covid-19

To respond effectively to the Covid-19 pandemic, we needed to gain as clear a picture as possible of the impact it was having on children. We:

- established the Covid-19 live tracker at the onset of the pandemic to monitor the latest evidence and research on its effect on children
- added a Covid-19 module to GRID as another way of helping us track the pandemic's impact
- collaborated with UNICEF to estimate how the pandemic was affecting children living in poverty
- analysed data to project the potential influence of the pandemic on the numbers of children out of school and rates of child marriage and teenage pregnancy.

FROM UNPAYABLE DEBT TO INVESTMENT IN CHILDREN

Throughout 2020, we and our partners pushed for urgent action to ensure the world's poorest countries have the financial resources to protect children from the worst impacts of the coronavirus crisis.

Our calculations show that 40 of the world's poorest countries are scheduled to spend more on debt repayments this year and next than on health. We are advocating for debt relief for the poorest countries, pushed into or towards debt distress by the pandemic.

At the start of the crisis, an international group of 205 influential leaders – including former UK Prime Minister Gordon Brown and more than 100 former heads of government and other eminent individuals – called on the G20 to invest in the response to Covid-19, and to take urgent economic counter-measures, including debt relief. We added our signature to their call.

We also joined efforts to urge the UK government to show leadership on the debt issue at the G20. In 2020, the G20 announced the Debt Service Suspension Initiative, offering suspension on debts owed to them by 73 of the world's poorest countries up to June 2021, alongside agreement on a new 'common framework' for debt restructuring. These are steps in the right direction, but more robust action is needed to ensure that money for critical investments in children's health, wellbeing and education is not diverted to pay off unsustainable debt.

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THE CLIMATE CRISIS: OUR RESPONSE

The climate crisis directly affects children around the world and is an existential threat to our mission for children.

It cuts across their rights to health, education and protection. Unless the world addresses the crisis directly, today's children will bear the burden, especially those living in regions most vulnerable to poverty and emergencies.

Save the Children has a unique role to play in supporting children's call for action, protecting them from climate emergencies and developing evidence about the impact of this monumental crisis on children.

PROTECTING CHILDREN'S RIGHT TO A FUTURE

We're already helping families to cope with the impact of increasing climate shocks like floods and droughts and to build their resilience. But the scale of the threat means we need to do much more.

In 2020, we joined other Save the Children members in making a declaration of action to tackle the climate crisis. As a child rights issue, the climate crisis will be central to our upcoming 2022–24 strategy.

Save the Children UK is an active member of the movement's global Climate Crisis Task Force, working under our environmental sustainability and climate crisis policy, with growing resources and budget, and leading on our 2020 commitments across four pillars:

PILLAR 1: ADVOCACY

We will scale up our climate crisis advocacy by supporting children from around the world to be agents of their own change. World leaders need to address the climate crisis as a children's rights crisis – and recognise that children must be part of the solution.

We are calling on national governments and donors to back the use of social protection systems to help families cope when crises hit, and to design them with sensitivity to the needs of children.

PILLAR 2: PROGRAMMING

We will continue to provide emergency support when crises hit and support communities to adapt and build their resilience to shocks. Early action is crucial for families facing crisis. That's why we're developing new models based on forecasts of shocks and detailed data about support needs. We are working with environmental partners to tackle the climate crisis with collective strength. In Myanmar, for example, we are working with WWF, the Ministry of Education, and the Ministry of Natural Resources and Environmental Conservation on the Green Generation Environmental Education partnership. Piloting in 130 primary and secondary schools, the partnership aims to equip children to identify and tackle environmental problems.

PILLAR 3: OPERATIONS

We will minimise the environmental impact of our programmes and operations so that we deliver impact for children with minimal footprint.

PILLAR 4: FUNDING

From 2023, the Save the Children movement aims to leverage significant climate finance from donors such as the Green Climate Fund (GCF). Save the Children Australia, on behalf of the Save the Children movement, became the first non-environmental NGO to be accredited to the GCF. In 2020 Save the Children made encouraging progress: 13 projects have been given pre-clearance to be developed into proposals. Save the Children UK will lead the programme design on the projects proposed for Somalia, Malawi, Sierra Leone and Ethiopia.

CRACK THE CRISES

In 2021, the UK will host two critical summits, the G7 in June and the UN COP26 summit in November. With the world facing challenges such as Covid-19, poverty and injustice, and the climate crisis, UK decision-makers have an opportunity to demonstrate their global leadership.

Save the Children has convened a coalition of organisations across the UK to advocate for a better future for people and planet. We're bringing people together to #CracktheCrises – by taking individual actions, by supporting others and by calling on decision-makers to act.

HUMANITARIAN RESPONSE RESEARCH

Ahead of COP26, we're collaborating on an innovative research project with UK-Med and the Humanitarian and Conflict Response Institute (HCRI) at the University of Manchester, and with the support of the Disasters Emergency Committee, that aims to help those who deal with humanitarian crises prepare for the future. A key

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challenge will be simultaneous crises across many different parts of the globe. The research aims to:

1. identify the likely scale of response required to address the humanitarian effects of the climate crisis in the next ten years
2. offer a range of estimates of the required human resources and funding in the humanitarian sector, as well as the structural changes necessary to face climate-induced crises up to 2030 and up to 2050
3. provide recommendations for incorporating the climate crisis within emergency preparedness and response mechanisms and for the funding required, and evaluate current humanitarian approaches
4. influence, inform and advocate to ensure adequate resources and capabilities are available to the sector.

MEASURING OUR IMPACT ON THE ENVIRONMENT

Save the Children UK has measured the carbon emissions of our UK operations since 2011, and publicly reported since 2013.

The coronavirus pandemic has forced us to think and act differently. While we started to reduce travel in 2019, it was severely impacted in 2020 due to restrictions. Coupled with office and shop access restrictions, our 2020 emissions are at the lowest levels since monitoring started. In 2021 the global movement will review comprehensive emissions data and commit to reduction targets to continue this positive change.

In 2020, we continued our work to make our head office heating, ventilation, air conditioning and lighting systems more environmentally friendly. And we introduced new restrictions to our pension funds to exclude companies involved in the upstream (extraction) segment of the fossil fuel industry as well as any companies that derive more than 10% of their revenues from fossil fuel activity.

Energy and emissions reporting

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 January to 31 December 2020, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2020 conversion factors. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period no energy efficiency actions have been taken and all previous plans relating to buildings were put on hold during the coronavirus pandemic, due to restricted access. The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

	1 January – 31 December 2020
Total energy consumption – used for emissions calculation (kWh)	2,423,728
Combustion emissions, scope 1 (tCO_2e)	87
Purchased electricity emissions, scope 2 (tCO_2e)	384
Vehicle fuel combustion emissions, scope 1 (tCO_2e)	25
Vehicle fuel combustion emissions, scope 3 (tCO_2e)	4
Total gross reported emissions (tCO_2e)	500
Staff	913
Intensity ratio: staff (tCO_2e/staff member)	0.55

The information we have provided here has been developed by Purchase Direct to meet our SECR obligations. A more comprehensive look into our impact on the environment in 2020 will be available on our website in 2021. We thank Purchase Direct for their generous support.

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PROGRESS AGAINST STRATEGIC PRIORITIES

Our 2019–21 strategy is designed to help us deliver our breakthroughs for children by 2030. Central to our strategy are three transformational shifts that we need to make:

- strengthening the impact of our global Save the Children movement
- deepening our connection to supporters
- becoming a stronger organisation.

This table highlights the progress we made against these strategic priorities in 2020, lists some of the key challenges and learning, and sets out our priorities for 2021.

The coronavirus pandemic and its impact on children, their communities, our people and our organisation made it necessary for us to review and adjust our priorities for both 2020 and 2021. We remain committed to adjusting our priorities for the year ahead as the situation continues to evolve. The pandemic has created cross-cutting challenges for each delivery pillar – just a few are highlighted here.

DELIVERY PILLAR	KEY ACHIEVEMENTS IN 2020	CHALLENGES AND LEARNING
STRENGTHENING THE IMPACT OF OUR GLOBAL SAVE THE CHILDREN MOVEMENT The best measure of our strategy's success is the impact it enables us to have for children. Through our international and domestic programmes, our humanitarian responses, and our advocacy and campaigns, we work relentlessly to save lives and transform futures.	To see how we've helped children survive, learn and be protected in 2020, see pages 12–33. We also measured our performance in 2020 against some key strategic enablers: **Partnerships** • strengthened and diversified our partnerships, receiving our first contract from the Agence Française de Développement in Sudan, securing new multi-year funding from Irish Aid in Ethiopia, and developing our role as grant holder for the Global Partnership for Education (Ethiopia and Zimbabwe) • made progress on our thematic priorities by: – helping organise the Global Forum on Childhood Pneumonia (see page 18), resulting in crucial global commitments from the international community – confirming a new education partnership with UNICEF, focused on improving learning outcomes in five countries – continuing to develop our climate crisis capacity and proposition, including establishing an exciting new partnership with Community Jameel on drought resilience in East Africa. • raised more than £29 million towards our Covid-19 response, including significant contributions from the Disasters Emergency Committee (DEC), the Foreign, Commonwealth and Development Office (FCDO) and Unilever, and securing funding from the UN's Central Emergency Response Fund for the isolation and treatment hospital in Cox's Bazaar, Bangladesh. **Country offices as agents of change** • shifted technical expertise resource to country and regional offices, by reducing 38% of our UK technical expertise. Also contributed over £1 million to a new $10 million annual fund for country offices to recruit the expertise they need • invested in protecting children in conflict and tackling pneumonia at country level. **Financing and accountability** • successfully advocated for stronger accountability and data on girls' rights, including through the UN Generation Equality Forum process and the Covid-19 Global Gender Response • advocated for a significant and immediate increase in funds to protect children from the impacts of Covid-19, forging new partnerships with the World Bank, UNICEF and Commitment to Equity Institute to support this work • in the UK, we advocated for a Covid-19 response that put children first and supplied emergency support to more than 10,000 children (see page 13).	Key challenges from Covid-19: • reaching income targets where donor budgets have been tightened and global humanitarian appeals underfunded • building relationships with partners without face-to-face contact • need for rapid adaption of practices and processes, such as new ways of working with country offices remotely • gathering Covid-19 data in the face of restrictions on movement. We stepped up advocacy on the need for more and better data and established innovative ways of tracking the impact of Covid-19 on children. The UK government reduced its focus on international development by merging the Department for International Development and the Foreign Office and cutting the aid budget from 0.7 to 0.5%. Our work on global development and financing has never felt more urgent. **PRIORITIES FOR 2021** In the final year of our 2019-21 strategy, we will continue to focus on our breakthrough goals and taking our strategic enablers to the next level. We will: • advocate for urgent increases in funding and government spending to help support the global response to Covid-19 • continue to build strong technical expertise in our country offices and review the feasibility and implications of further and faster progress on localisation • work with the UK government in preparation for G7 and the COP26 climate summit • focus on children facing malnutrition in some of the world's toughest places • support country offices to design their Green Climate Fund programmes, and adapt our work in the face of increasing climate challenges • develop a Technology for Development strategy, seeking non-profit and for-profit partners to co-create projects, coordinating our efforts as a Save the Children movement to identify private and public donors.

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DELIVERY PILLAR	KEY ACHIEVEMENTS IN 2020	CHALLENGES AND LEARNING
DEEPENING OUR CONNECTION TO SUPPORTERS We're creating a platform for our supporters in the UK to make their voices heard – and to make a difference – for children around the world. We're nurturing and growing active, long-term relationships with our supporters and expanding our campaigning work with children to create substantial and sustainable change.	Despite the extraordinary challenges of 2020, we have continued to make progress against our goal of building deep and lasting supporter connections. Our achievements included: • launching a new operating model in January that seeks to make the delivery of our supporter-engagement activity more audience-centric, more integrated, more seamless and more rewarding for our staff • maintaining our focus on creating a deep brand connection with our audiences, while rolling out new engagement activities in response to the Covid-19 pandemic – for example, Save with Stories (a social media campaign where celebrities read bedtime stories for children), The Den (an online ideas hub for keeping children inspired during lockdown), Wonderbooks (our subscription children's book service), and Lockdown Birthdays (a fundraiser for children celebrating their birthdays during lockdown, co-created with Beano Studios) • continuing to engage our supporters on key campaigning issues – for example, boosting Universal Credit in the UK, opposing cuts to the aid budget, the ongoing humanitarian crisis in Yemen • securing support from a diverse range of corporate partners and philanthropists • launching an integrated Christmas campaign under the 'Protect the Magic' banner.	Key challenges from Covid-19: • reworking fundraising budgets and activity plans • developing and launching new activities • protecting volunteers, staff and supporters at shops and in regions • planning for a significantly different future. We will use what we have learned from these developments to create deeper connections with all supporters and volunteers in 2021. **PRIORITIES FOR 2021** Our priorities for 2021 are to: • maximise our core fundraising to protect our financial stability • to build brand experiences that are loved by supporters and that offer a compelling reason to support our cause • better integrate our fundraising and campaigning work to make us more than just the sum of our parts • increase the proportion of new supporters we gain with the potential to create more long-term impact for children • unlock greater value from corporate partners and philanthropists.
BECOMING A STRONGER ORGANISATION To deliver real change for children, we are committed to building a stronger organisation through bold changes in our operating model, organisational culture, and our systems and processes.	In 2020 we focused on the following key priorities: **Working effectively during the Covid-19 pandemic** • moved to remote working and provided strong IT support to our home-based staff • rapidly adjusted our operational and financial plans, providing regular revised financial projections to the Board • streamlined our organisational change projects portfolio and strengthened our change governance to ensure that we continue to deliver our key change priorities, particularly our commitments on people and culture • published the first draft of our Wellbeing Strategy and offered wellbeing support to all staff • launched our new internal comms operating model to meet the needs of a remote workforce, doubling the level of staff engagement, increasing the visibility of our leadership team, and maintaining strong connections between staff and organisation. **Strengthening the use of technology** • increased security and compliance, gaining the UK government's 'Cyber Essentials' accreditation and formally adopting the 'Principles of Digital Development' • re-energised plans to increase partnership working across the movement and established new teams to deliver organisation-wide technology and systems change. **Changing organisational culture** • implemented a new HR model with increased expertise, a focus on the user, and streamlined processes • formed the People and Culture group, to bring the voice of staff into organisational change projects • developed and published our first Ethnicity Data and Pay Gap Report and Diversity and Inclusion strategy • following extensive staff consultation, updated and developed key employee-relations policies, including those to support diversity, inclusion and staff wellbeing.	Key challenges from Covid-19: • shift to home working, with new challenges to protect staff's physical and mental health, and transition to new ways of remote working • intermittent closure of our shops • spending and recruitment freezes to reduce costs. Remote working has, however, largely resolved barriers between headquarters staff and those working elsewhere. With increasing engagement across teams and offices, we have become more inclusive. Our 2020 Ethnicity Data and Pay Gap Report highlighted the work needed on our pay structures. High turnover in diversity and inclusion specialists provoked some challenging but necessary conversations. As a result, we have upgraded the permanent diversity and inclusion role to Director level. **PRIORITIES FOR 2021** As we support our organisation to work effectively through the Covid-19 pandemic, our key priorities are to: • build the 'Organisation of the Future' – a strategic, sustainable response to Covid-19 with new habits and practices • develop Save the Children UK's 2022–24 strategy and ensure it is aligned with the Save the Children movement • embed new tools to keep people connected as they work from home • fully integrate the Diversity and Inclusion strategy across all aspects of our work • embed the People and Culture agenda, including a people-management development programme, an integrated wellbeing service, and a new framework to support staff career development.

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DIVERSITY, INCLUSION AND ANTI-RACISM

We have a responsibility to defend all children everywhere – as well as our staff, volunteers and the people we work with – against discrimination.

Institutional racism and discrimination exists within the charity sector and our organisation, and we are committed to tackling it.

We acknowledge that meeting our legal obligations does not make us impervious to the underlying behaviours and attitudes that exist within our society that disadvantage people of colour. We continue to strive to make our workplace a culture which is truly diverse and in which all of our staff can equally thrive.

DIVERSITY AND INCLUSION AT SAVE THE CHILDREN UK

As an organisation, we recognise we do not reflect the racial diversity of London, where most of our staff are based, nor the children or communities we serve. Only around 18% of staff at Save the Children UK are people of colour. People of colour are also underrepresented at senior levels of the organisation.

We lack diversity in other areas too. People with diverse sexual orientation, gender identity and expression, and people with disabilities are all underrepresented.

We know from regular consultation that some of our staff have experienced discrimination at work, not only on the basis of race, gender identity, sexual orientation and disability, but also concerning their faith, parental or carer status, and socio-economic background. This is inexcusable.

While we have been investing in significant, concrete improvements to our workplace culture for some years, in 2020 we produced our first multi-year Diversity and Inclusion strategy. It was co-created with staff and tailored to reflect Save the Children UK's identity, culture and external work. It incorporates learning from the 2018 Shale review of our workplace culture, organisational reports from the BAME and LGBT+ Allies staff networks, and staff feedback.

It is a strategy to achieve a more equitable and inclusive workplace and tackle the stark underrepresentation of marginalised minority groups among our staff, including senior leadership.

Staff were provided with a range of ways to engage with the strategy-development process, such as an anonymous staff survey, feedback meetings with staff-equality networks, a Q&A at an all-staff meeting, and attendance at strategy-shaping workshops.

Our new Diversity and Inclusion team will, alongside staff stakeholders, make sure the strategy is delivered effectively. A diversity and inclusion forum will be created in 2021, and departmental diversity and inclusion reps will ensure the strategy is delivered in an accountable and collaborative – not top-down – way.

Save the Children UK chief executive Kevin Watkins said: "Articulating what needs changing is a first step towards healing. The next steps are more difficult. Achieving change will require transformative cultural and structural shifts – and that includes people with power and privilege acknowledging their part in the problem, listening to and learning from those at the sharp end of systemic oppression and injustice, and acting as allies for change."

EXECUTIVE DIRECTOR'S ANTI-RACISM COMMITMENTS

The following commitments by the Executive Leadership Team do not replace the strategies being co-created with our People and Culture and Diversity and Inclusion steering groups. They represent the commitments we are making as executive leaders and reflect our outsized positional power.

The harm that has been caused – and continues to be caused – by racism at Save the Children UK is a threat to our mission and an affront to our values. We take responsibility as leaders in a sector in which racism, colonialism and white supremacy are deeply embedded. We embrace the discomfort involved in an examination of the white privilege from which most of us benefit.

Our most urgent task now is identifying where harm is being done and repairing it. That is merely the first step on our journey to being an anti-racist organisation.

The actions we have committed to mark the start of that journey. We will review our progress, mistakes and lessons learned.

We have made these commitments publicly, and actively invite feedback on them. We embrace the challenges ahead – knowing that we will make mistakes and have to commit again and again

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Staff members Jordan, Carmel and Jennifer take part in a 'Thankathon' to supporters.

PHOTO: KATE STANWORTH/SAVE THE CHILDREN

to the work of active anti-racism. As executive directors, we will embed these commitments in our own personal objectives, and the accountability and reporting mechanisms for our Board of Trustees.

External impact

We're testing whether our programme and influencing work is actively dismantling white supremacy and other forms of oppression and putting the most deprived and marginalised children at its heart. We're creating brave spaces where all colleagues can shape our thinking about how we become actively anti-racist in our work. We're seeking more diverse partners – sharing power and supporting their empowerment.

Our storytelling

We are testing whether our fundraising, communications and campaigning work stereotypes, 'others' or strips agency and dignity from children. We're removing white saviourism and the white gaze from our communications about our international work. And we're ensuring the lived experience of families of colour in poverty is at the heart of our communications about our UK work.

Supporter engagement

We're looking at how to engage Black communities and communities of colour more effectively in our cause, and whether our volunteering offer is inclusive.

Our people and culture

We're working to dramatically improve diversity and inclusion at all levels of the organisation, but particularly at our executive director and director levels. We are committed to narrowing our pay gaps (see page 62), and will publish our diversity, ethnicity and pay gap data on our website. In 2021 we will launch Breaking Barriers – our new pilot mentoring programme available to colleagues from Black, Asian and minority ethnic communities, colleagues with disabilities, colleagues who identify as LGBTQI+ and colleagues from less privileged backgrounds. We are ensuring that all of our policies and practices create the conditions for reporting and resolving racism and microaggressions.

PROGRESS IN 2020

When we published our Statement of Solidarity in June 2020, we committed to providing quarterly public updates on our progress and mistakes. To see some examples of the progress we have made towards our commitments in 2020, visit our website.

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OUR PEOPLE AND CULTURE

Save the Children UK is built on compassion, trust and respect. We're committed to creating a safe and respectful working environment where our staff and volunteers feel valued, where they recognise one another's contribution, where they know inappropriate behaviour won't be tolerated and where they feel safe to raise concerns.

Our commitment to this aspiration is reflected in our People and Culture strategy, which was shaped by the priorities identified in an independent review of our workplace culture. It is underpinned by our new set of workplace behaviours, co-created with staff, which we are in the process of embedding across Save the Children UK. The behaviours focus on how we speak and listen to each other, how we challenge and how our actions match our words.

As for so many others, this year has been extremely difficult for us, as we worked hard to manage the impact of Covid-19 on our organisation. Our staff showed incredible commitment and determination to keep delivering their work for children, while managing significant personal and professional challenges.

OUR PEOPLE

The Save the Children movement has around 25,000 staff working around the world.

As of 31 December 2020, 913 staff worked at Save the Children UK and 4,577 people were working in a formal volunteering role.

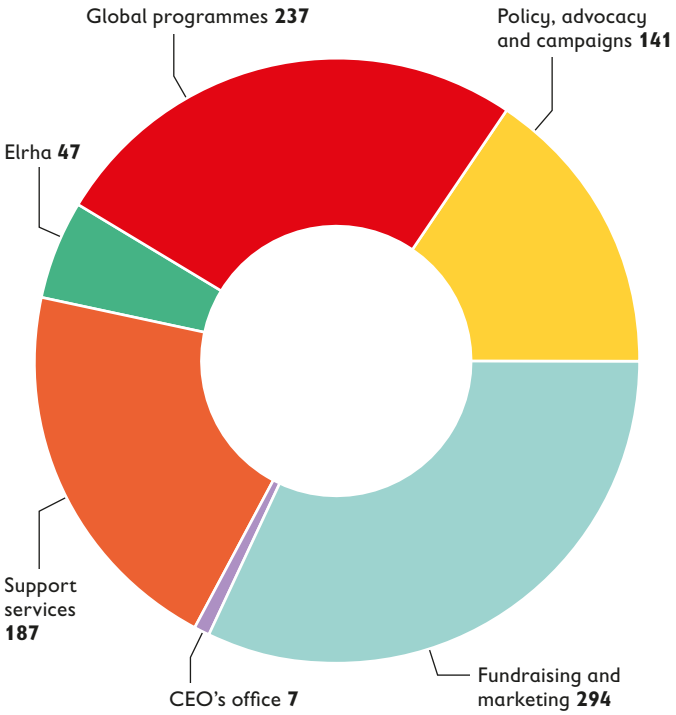
To find out about our approach to pay and overheads, and for details on our gender and ethnicity pay gaps, see page 62.

As of 31 December 2020, all UK-based staff were working from home due to the coronavirus pandemic. We used the government's furlough scheme for 250 of our employees in 2020. A very limited number of staff, including some facilities, IT support and retail staff, worked from the office or our shops when necessary, and in line with strict safety protocol.

Save the Children UK staff by location (total: 913)



Save the Children UK staff by division



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SUPPORTING OUR STAFF DURING THE PANDEMIC

The coronavirus pandemic has had a significant impact on how we manage and conduct our work at Save the Children UK. During an incredibly difficult year, we have done everything possible to prioritise change for children and support our staff.

In March 2020, to protect staff, prevent the spread of the virus and adhere to government guidelines, we shifted almost entirely to remote working, closed our shops for intervals during the year and suspended in-person events. We intend to remain a predominantly remote-working organisation until at least June 2021 and are considering how we will work differently beyond the pandemic.

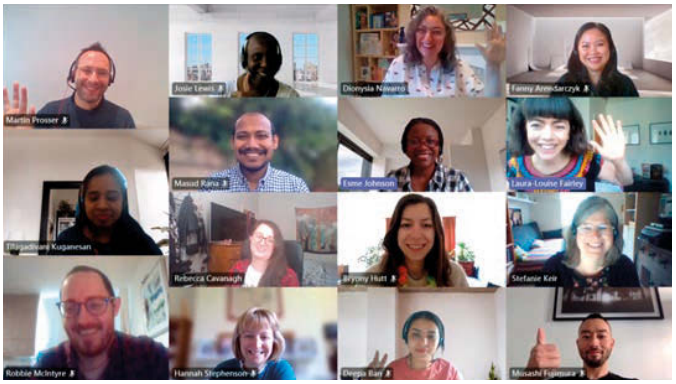
We used the government's furlough scheme for 250 of our staff in 2020, topping up the government's contribution to ensure they received full pay.

We have engaged closely with staff throughout the year. Their feedback on our internal communications and on online working has been very positive. We set up a new staff sounding board to ensure that different perspectives were carefully considered before decisions about working arrangements were taken.

Wellbeing

Staff wellbeing has been a critical priority throughout the pandemic. Our Wellbeing team developed a comprehensive strategy to provide clear and accessible support to all staff during the crisis and beyond. Support in 2020 included:

- offering voluntary furlough, flexible working and increased annual special leave from 10 to 35 days for staff with caring responsibilities
- monthly bulletins and lunchtime panel sessions for all staff on, for example, grief, sleep, work-related stress, domestic abuse, isolation, men's mental health and kindness



The shift to home-working has not always been easy on our staff, but they have come together virtually to support each other throughout the year.

- two training courses: 'coping with grief: supporting yourself and others' and 'how to create a wellbeing plan'
- guidance for line managers on individual and team wellbeing
- allocating a dedicated Mental Health First Aider for each department (continuing in early 2021)
- re-opening offices, when government restrictions allowed, for staff who struggled to work remotely
- psychological screening before and after overseas deployments during the pandemic.

The number of staff accessing support from the wellbeing service tripled during the first UK lockdown. The team provided both short- and long-term one-to-one support to more than 120 members of staff (15% of total workforce) in 2020 on a range of issues. They gave tailored individual support to those who were managing a pre-existing mental health diagnosis.



PHOTO: CATHERINE MCGOWAN/ SAVE THE CHILDREN

Last year Rachael Cummings (left) and Dr Nabila led the Covid-19 response in the refugee camps in Cox's Bazar, Bangladesh (see page 14).

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OUR SUPPORTERS IN 2020

Children needed us more than ever in 2020, and your support meant we could be there for them. We can only recognise some of our supporters here, but we are immensely grateful to them all.

INSTITUTIONAL DONORS

Our partnerships with governments and global institutions are crucial to our work, generating £160 million of income in 2020. The UK government, a strategic partner, supported our response to the Covid-19 pandemic in Bangladesh, Nepal, Myanmar and Tanzania. It funded our work on girls' education, malnutrition and our humanitarian responses in northern Nigeria, Somalia and Yemen. In September 2020, we resumed tendering for new UK government-funded projects.

Our work with the World Bank and partners in fragile contexts continued in 2020. In December, the World Bank approved £22.3 million in grants for Save the Children to help increase access to basic services and economic opportunities for populations affected by the conflict and coronavirus pandemic. Alongside UNICEF and the World Food Programme we plan to finance a package of evidence-based interventions to 1,000 schools.

Our partnership with the European Union secured £7.5 million in 2020 to fund our Covid-19 response in Nigeria, respond to children affected by armed conflict in Syria and improve crisis prevention and management systems in West Africa. Through our new partnership with the French government's development agency (AFD), we contributed to Sudan's Covid-19 response in hard-to-reach provinces. This builds on our existing partnership with the French Ministry of Europe and Foreign Affairs, which supports communities in Syria and Yemen. We also began working with Irish Aid in Ethiopia to help women and girls live healthy and productive lives free from violence and abuse.

In 2020, Education Cannot Wait and the Global Partnership for Education provided us with significant funding to transform children's education around the world, including in emergencies. Both partners also led the way in supporting our efforts to keep children across six countries learning, even when their schools had to close because of Covid-19. We value our partnerships with a range of UN agencies that have supported our emergency health response in Cox's Bazar and other vital programmes.

CORPORATE PARTNERS AND FOUNDATIONS

Our business partners support our programmes, share their expertise and stand with us to make sure children's voices are heard.

- Through our Coaching for Life programme with the Arsenal Foundation, we are helping children in Jordan and India increase their emotional wellbeing and resilience.
- Through our new partnership with Collinson, we provided 53 disadvantaged young migrants in Guangdong Province, China, with the skills and training to improve their chances of finding decent employment.
- With our long-standing partner GSK we launched a joint response to the Covid-19 crisis, adapting our existing health programmes in more than 15 countries.
- We are grateful to IFR Awards, whose annual events have raised over £28 million for children.
- The Morgan Stanley International Foundation provided expertise and resources to support our Boosting Parenting Power programme, transforming early learning in London's Tower Hamlets. Morgan Stanley & Co. International PLC also supported our Covid-19 response in Italy, Spain and the UK.
- With Prudence Foundation and the Philippines Department of Education we rolled-out an innovative mobile app across the Philippines that enables schools to report and rapidly assess the impacts of natural disasters. Meanwhile Prudential PLC, our founding Emergency Fund partner, continued its life-saving support.
- In partnership with Unilever we're supporting vanilla farmers and their families in Madagascar, alongside Symrise and Deutsche Gesellschaft für Internationale Zusammenarbeit. Our Unilever partnership is also providing families with hygiene education and supplies to reduce the spread of Covid-19 in nine countries and supporting the health and nutrition of families in Indonesia with Unilever's Lifebuoy brand.
- The LEGO Group UK generously donated 2,784 LEGO sets to our UK Covid-19 response. Over the next three years we will work in partnership with the LEGO Group and LEGO Foundation in Margate to embed play in children's early lives, support parents engaging with playful approaches to learning, and advocate for the power of play in children's development.
- The Bill & Melinda Gates Foundation continued to support our child survival advocacy, including our push for a global response to the Covid-19 pandemic and the Global Forum on Childhood Pneumonia.

We are grateful for the continued support of many other partners including Axa XL, Bvlgari, Castle Water, Clifford

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Chance, Discovery, Entertainment One and Peppa Pig, Hikma, Jacobs, Pearson, QBE European Operations, Revolut, Sanofi Espoir Foundation, Twinings, wilko and Yoox Net-A-Porter.

PHILANTHROPISTS

Philanthropists and charitable trusts generously shared their time, expertise, and connections to strengthen our work.

We give special mention to H.E. Sheikh Thani Bin Abdullah Al-Thani and the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund; the Cuppy Foundation and Mr Femi Otedola; the Abdulla Al Ghurair Foundation for Education; Her Highness Sheikha Jawaher bint Mohammed Al Qassimi with NAMA Women's Advancement Establishment; The Big Heart Foundation; Community Jameel; the Olayan Foundation; People's Postcode Lottery; the Stavros Niarchos Foundation; the National Lottery Community Fund; the Latin American Children's Trust; the American Express Foundation; Natasha Kaplinsky; Michael Edwards OBE; and Graham and Susan Tobbell.

For their generosity and commitment we thank our fundraising boards, including the Women's Network, the Global Malnutrition Board, the Africa Advisory Board, and the UK Appeal Board. Thanks also to our Gala Event committees for organising a Christmas Prize Draw.

We are very grateful to our Vice-Presidents for their continued support and fundraising: Sophie McCormick, Charlotte Ransom, Andrew Sibbald, Michael Edwards OBE, Gordon Campbell-Gray, Keith Mullin, Michael Ridley, Graham and Susan Tobbell, Erland and Rose Marie Karlsson, Ann and Bart Becht, Amanda Richards, Dora Loewenstein, Asa and Martin Hintze, John Reynolds, and Peter Mallinson.

VOLUNTEERS

We are enormously grateful to our more than 4,500 dedicated volunteers. Their support in 2020 – as community fundraisers, shop volunteers, campaign champions, speakers and researchers – was outstanding. Our community branch fundraisers raised more than £400,000 in unrestricted funds and our network of 255 campaign champions spoke out in support of our issues.

OUR PATRON

Over the last five decades, The Princess Royal has devoted time to visit Save the Children's programmes, meeting with children and their families, as well as local colleagues. In the UK she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation continues to be a powerful advocate of our work. We are honoured to have The Princess Royal as our Patron and are ever thankful for her unwavering support.

PUBLIC SUPPORT

Our work is only possible thanks to our incredible supporters. In 2020 they organised virtual events, took on personal fundraising challenges and donned crazy Christmas jumpers. More than 4.1 million people signed up to take part in Save the Children's ninth Christmas Jumper Day, raising over £3.1 million for children.

The public generously supported our Covid-19 appeal, donating £2.3 million. They also gave a combined total of £2.4 million to our Syria and Yemen emergency appeals, and supported our Emergency Fund with £2.4 million, allowing us to respond within hours of a disaster.

Public support is the bedrock of our campaigns. In 2020, our campaign champions lobbied MPs to press for justice for Rohingya children. In the UK, we helped people with lived experience of Universal Credit to speak out about its failings and demand change. And when the Department for International Development merged with the Foreign Office, more than 5,000 supporters sent messages to the Foreign Secretary, calling on him to protect the aid budget.

LEGACIES

We're extremely grateful to have been remembered with gifts in the wills of 778 generous supporters, worth over £17 million in 2020. Each one is extraordinary and valued. One wonderful gift was left in memory of a mother who had volunteered in one of our shops for 25 years by a woman whose own daughter now carries on this family tradition. And a teacher who had taught languages to children around the world throughout her life continued her financial support for our cause by leaving an amazing legacy.

OUR SHOPS

The Covid-19 lockdowns and restrictions significantly reduced our ability to trade across our retail portfolio in 2020. Thanks to the commitment and hard work of our staff and volunteers, we re-opened 63 shops by September for a limited period, with additional safety measures in place. We are extremely grateful to all our customers and donors for their continued support.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

Our dedicated ambassadors and high-profile supporters helped us find creative ways of reaching our audiences in 2020. Ambassador Poppy Delevingne spearheaded our Save with Stories campaign. It saw 74 of our high-profile supporters, including Helen Mirren, George the Poet and Benedict Cumberbatch, read much-loved children's stories to raise money for our Covid-19 appeal. Meghan, Duchess of Sussex celebrated her son Archie's first birthday with a special reading, driving 6,130 pieces of media coverage across 88 countries and a 9,000% increase in visits to our website, raising valuable awareness and money for the campaign.

Singer Mika organised a star-studded virtual concert, raising over £300,000 for our response to the explosion in Beirut. Claudia Winkleman, Erin O'Connor, T'Nia Miller and Konnie Huq took part in Christmas Jumper Day; Ambassador Myleene Klass visited the Kyangwali refugee settlement in Uganda virtually to raise awareness; while Jon Snow launched our virtual quiz.

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FINANCIAL PERFORMANCE

In what has been a tough year, and in the face of challenging economic times, we're extremely grateful to all our supporters for their continued generosity. We're committed to making sure our income is used efficiently, effectively and responsibly so that we make every pound count.

HEADLINES

Our total income in 2020 was £289 million and our total spend was £283 million, a reduction of £18 million and £26 million respectively on the previous year.

£m	2020	2019	Decrease
Restricted income	214	215	(1)
Unrestricted income	75	92	(17)
Total income	**289**	**307**	**(18)**
Restricted spend	211	217	(6)
Unrestricted spend	72	92	(20)
Total spend	**283**	**309**	**(26)**

Impact of the coronavirus pandemic

As a result of the restrictions during the year to manage the coronavirus pandemic, we've seen substantial reductions in our unrestricted income – primarily caused by the fall in income from our portfolio of shops (down £6.5 million compared to 2019), in fundraising income raised through special events (down £2.4 million compared to 2019) and from our community branches (down £0.7 million compared to 2019). To manage the impact of these income shortfalls on our reserves, we substantially reduced our unrestricted spend. We decreased our investments in fundraising and advocacy in the year, and implemented spending and recruitment freezes across the organisation. We did, however, receive £1.3 million of income from the government's furlough scheme and £0.9 million in retail grants.

Across our restricted income and spend, our ability to deliver our programmatic work through Save the Children International has been delayed in some countries due to national and local lockdowns. This has been offset by Covid-19 response grants.

Given the uncertainty caused by the Covid-19 pandemic, the Board sought to reduce spending and investment costs in 2020; spending from reserves remained a last resort. The Board also agreed four financial triggers to be monitored to determine whether additional cost cuts should be introduced. Fortunately, none of the four triggers were breached and a significant drawdown on reserves was avoided.

INCOME

Institutional donors: £160 million (2019: £180 million)

The income we receive from our institutional donors is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world. As such, it fluctuates each year. Our largest institutional donors have historically been the UK government through the Foreign, Commonwealth and Development Office (FCDO), the European Commission and the United Nations. Our overall income in the year from institutional donors has reduced by £20 million. We have seen lower income from the UN (down £8 million) and the European Commission, down £10 million, as we have been transferring responsibility of funding from EU accounts to other European members of Save the Children. Income from the UK government is also down £6 million on last year. While we were able to begin rebidding for funding from the UK government in September 2020, we expect income in 2021 to be further impacted by FCDO budget cuts. Funding from Education Cannot Wait increased in 2020 by £5 million, with £13 million of income recognised in the year for two major programmes in Uganda and Ethiopia.

Individual donations and legacies: £65 million (2019: £73 million)

Income from individuals was £48 million, down £1 million on 2019. Regular donations from individuals were slightly down on 2019, continuing the downward trend in unrestricted regular giving. The Covid-19 restrictions resulted in lower one-off donations and reduced income from our community fundraising groups and from events. These reductions were partially offset by an increase in restricted appeal income from individuals in 2020, primarily for our Covid-19 appeal and our continuing Yemen appeal. We received £17 million of legacy income in 2020, a reduction of £7 million on 2019, which had been a record year for legacies due to several high-value gifts.

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Corporates, major donors and trusts: £49 million (2019: £34 million)

Strong relationships with our corporate partners generated £22 million in 2020, up £2 million on 2019. GSK remains our largest corporate partner (£9 million in 2020), funding a number of our key health programmes around the world. Other significant partnerships in 2020 included IKEA funding for the Start Fund and a new multi-country Covid-19 response programme funded by Unilever.

Our income from major donors and trusts was £27 million in 2020, an increase of £14 million on 2019. This increase is due to a substantial grant from the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund for drought response in Somalia, which was primarily implemented in 2020. In addition, we continue to receive generous donations from other major donors and trusts, providing vital funding for our Emergency Health Unit and the Research for Health in Humanitarian Crises programme run by our subsidiary Elrha.

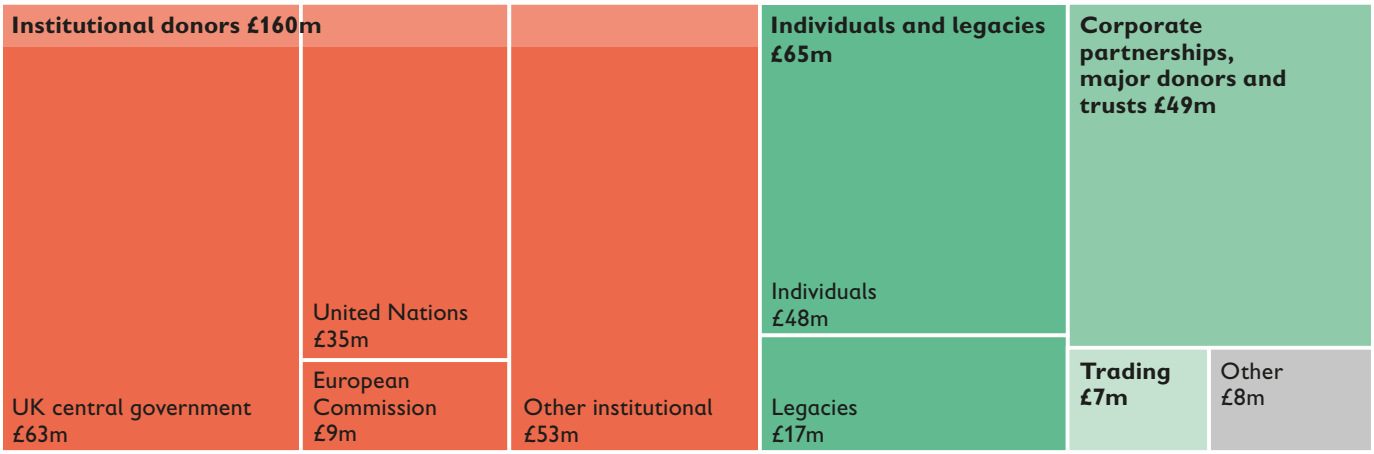
Trading: £7 million (2019: £13 million)

Due to significant shop closures in the year, our retail trading income for 2020 of £4 million was down £6 million compared with 2019. Of our 120 shops, 57 have remained completely closed since March 2020 and 63 partially reopened during the year in accordance with national and local lockdowns.

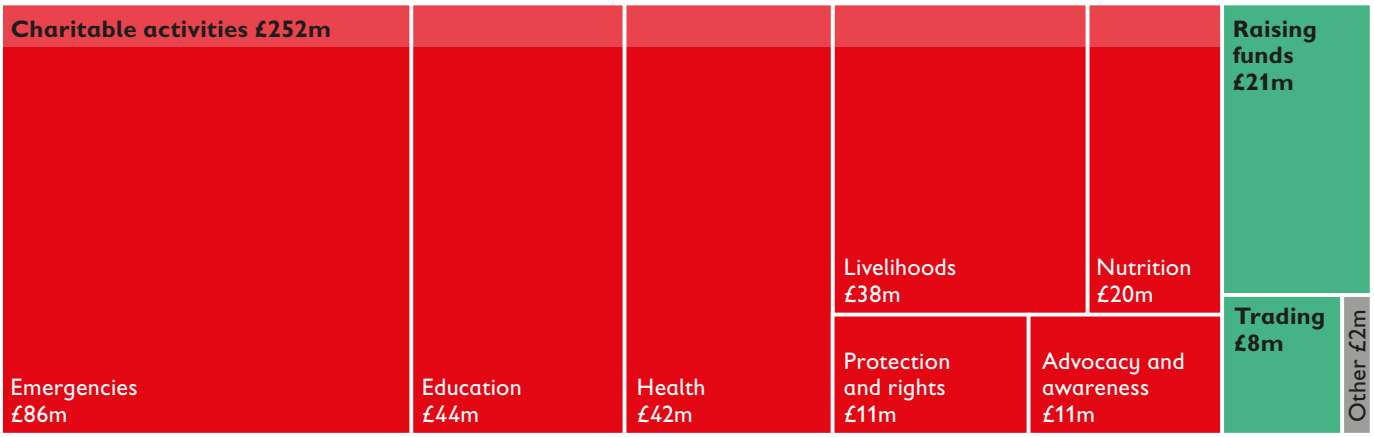
The remaining £3 million in trading income was generated from the People's Postcode Lottery, which helped fund our UK programmatic work, our Global Malnutrition Initiative, our Emergency Fund and a project on organisational strengthening.

2020 income and expenditure

Income £289 million



Expenditure £283 million



Expenditure in the above diagram is shown after the allocation of support costs to the activities they support. See expenditure graphic on page 46 for more details.

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EXPENDITURE

Our total expenditure in 2020 was £283 million, a reduction of £26 million on the previous year.

Charitable activities: £252 million (2019: £271 million)

Our charitable expenditure includes £210 million spent on programmes in the UK and internationally, and £9 million on advocacy and campaigns. £33 million of our support costs (see expenditure graphic below) go towards our programming, advocacy and awareness work. The diagram on page 45 shows our charitable expenditure according to our thematic areas of work and on page 11 we present a geographical summary of our £210 million of global programming spend. Our emergencies spend in 2020 was £86 million. This includes grant expenditure through Start Network (£34 million), our humanitarian entity Elrha (£13 million), our humanitarian department and specific in-country emergency response. In 2020, expenditure on livelihoods increased by £9 million to £38 million due to the Somalia drought response programme funded by the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund; this large award (£14 million) made Somalia our country of highest spend in 2020.

Direct spend on advocacy and awareness in 2020 was £9 million, a £4 million reduction on 2020. Our advocacy efforts included tackling child malnutrition and childhood pneumonia, supporting children in conflict, and pushing for every child to have access to good-quality learning opportunities. We unite with others to drive long-term and sustainable change, including through an advocacy grant from the Bill & Melinda Gates Foundation on child survival.

Raising funds: £29 million (2019: £36 million)

Expenditure on raising funds included the direct costs of running our diverse fundraising channels and activities (£21 million) and the cost of our retail shops (£8 million). Investment in fundraising channels and activities was reduced by £6 million in 2020, due to cost savings that needed to be made as part of our financial management of the coronavirus pandemic. We expect the impact of this reduced investment to be felt in future years' fundraising income. However, we're exploring options for remobilisation of investment in income growth and impact once the financial situation allows.

Despite shops being closed for long periods of 2020, our costs only reduced by £1 million as many overhead costs of rent and staff were still incurred. This resulted in a retail loss for the year of £4 million, compared with a £1.5 million surplus in 2019.

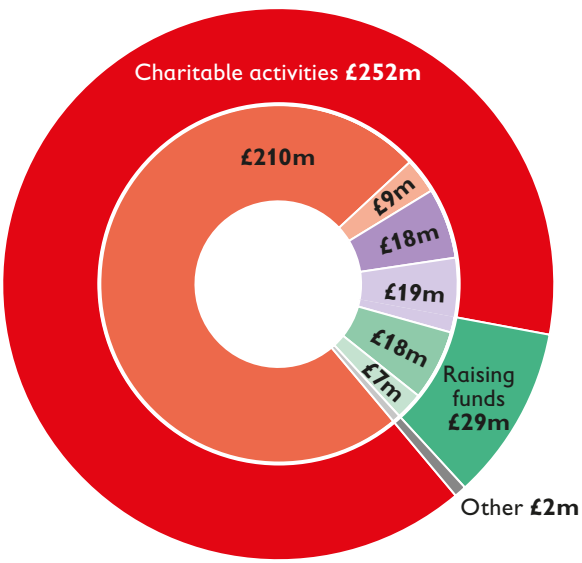
Support costs

In accordance with the statement of recommended practice for charities' accounting and reporting, our support costs are allocated over the functional areas they relate to, as shown in the pie chart below.

Management and administration support costs were £19 million in 2020, a £2 million reduction on 2019. This includes spending on finance, human resources, technology, legal and governance activities (such as child safeguarding), protection against fraud, and audit costs. While these costs are necessary in running the organisation, we continually look for efficiencies that will free up more resources to deliver our frontline strategy. However, in 2020, in order to achieve necessary spending reductions, we deferred investment in some of our technology and transformation projects that can deliver efficiencies in the longer term.

Expenditure 2020

Total expenditure £283 million



Charitable activities – £252m includes
£210m of global programming
£9m of advocacy and awareness
£18m of programme support costs
£15m allocation of management and administation support costs

Raising funds – £29m includes
£18m of fundraising costs
£7m of trading costs
£4m allocation of management and administration support costs

Other – £2m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

- Global programming
- Advocacy and awareness
- Programme support costs
- Management and administration
- Fundraising
- Trading
- Other

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Programme support costs were £18 million in 2020, a reduction of £1 million on the previous year. These are costs incurred directly in designing and monitoring our programmes and by Save the Children International in delivering our overseas programmes. During 2020, the programme support costs incurred directly by Save the Children UK reduced as we transferred some areas of programme support over to Save the Children International. We also had a reduced share of the overall membership contributions to Save the Children International. However, we made some additional contributions to support member growth and to projects to improve procurement, and financial and programme management in Save the Children International; these projects aim to bring about greater efficiency and lower costs.

TOTAL FUNDS

As at the end of 2020, the closing funds are made up of the following balances.

	2020 (£m)	2019 (£m)
General reserve	34.1	32.2
Revaluation reserve	4.4	4.8
Designated funds	6.4	7.9
Pension reserve	(2.8)	(0.6)
Total unrestricted funds	**42.1**	**44.3**
Restricted funds	11.6	9.2
Endowment funds	4.9	4.4
Total restricted funds	**16.5**	**13.6**

Restricted funds

Restricted funds of £17 million (2019: £14 million) represent funds that have been given for a particular purpose and the trustees have no discretion to reallocate for other use. See restricted funds note 22 of the financial statements for further details of how this balance is split by region, specific appeal or thematic area; these balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset; the fund is permanent and only the income generated by the fund can be expended.

Unrestricted funds

All other funds are unrestricted. Unrestricted funds are further classified as designated or part of the general reserve. At the year end, the general reserves amounted to £34 million (2019: £32 million), this is the part of the charity's funds that are not restricted or designated to any particular purpose. The balance on the revaluation reserve is the unrealised gain on our investment portfolio.

Designated funds are funds that have been invested in fixed assets, associates or programme-related investments, or have been allocated for a specific purpose by the Trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve, these funds are not readily available, so are not included in the calculation of general reserves.

RESERVES POLICY

Our reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks, while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds that can be deployed at the discretion of the trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income, allowing time to adjust our cost base or business model
- incurring one-off costs that are not covered from donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are matched by highly liquid investments so that we can draw on them quickly if necessary; see further details in the investments section, below.

In 2020 our target reserves range was £30–£40 million; our closing general reserves of £34 million are therefore within the target range. Ahead of approving the 2021 financial budget, the Board reviewed an update of the detailed risk assessment used to assess the level of general reserves that is appropriate for the charity to maintain. The assessment shows that we have withstood some major risk events, including Covid-19, in recent years without having to draw down on reserves. Based on the risk assessment, the Board reduced the target range for 2021 to £28–£33 million.

INVESTMENTS

The trustees have the authority conferred by the memorandum and articles of association to invest as they think fit any of Save the Children's money that is not immediately required.

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice when markets are weak.

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We maintain the majority of our investments in equities and bonds so we have the opportunity of long-term growth. Given the increased market volatility in 2020, we sold £4 million of investments in the year and held these funds as cash balances. Overall, the portfolio reported a gain of £1 million in 2020, following a gain of £3.7 million in 2019.

PENSION SCHEME

The valuation of Save the Children's Pensions Trust Defined Benefit scheme, for the purposes of FRS102, showed a funding deficit of £2.2 million at the end of 2020 (2019: surplus of £7.2 million). The FRS102 valuation is different to the triennial actuarial valuation, which had its latest triennial valuation in September 2020. Preliminary results show a current deficit of £9.2 million. We are currently making deficit contributions of c.£5 million per annum based on the 2017 triennial valuation, which showed a deficit of £27 million. Based on the latest valuation we will be agreeing a revised schedule of deficit contributions with The Pensions Trust. We also have a defined benefit Growth Plan scheme, which at the end of 2020 had a deficit of £0.5 million (2019: deficit of £0.6 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children works in partnership with many organisations and during the year we provided grants to the value of £188 million, with the largest amount of grant money given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding national or local partners to deliver services, including immediate emergency relief. Such grants help national and local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work serving children and communities around the world. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

We closely monitor our financial performance throughout the year. The executive directors review monthly reporting on income, spend, reserves, debt and cashflow positions to manage the delivery of Board-approved targets. On a quarterly basis, we provide financial analysis for review by the Finance Committee and Board. We also undertake quarterly reforecasts to enable us to review and respond to changing financial circumstances. We outlined on page 44 how we enhanced our financial management processes throughout 2020 to address the changing impact of the coronavirus pandemic.

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. There are no external borrowings, and processes are in place to monitor cash flows in order to minimise liquidity risk. Goods and services purchased are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. In addition, we review assets and liabilities by currency on a monthly basis, and if required reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children's financial performance and the general reserves position for 2020. Although the coronavirus pandemic continues to create significant uncertainties, in 2020, through reduced expenditure and investment, we managed the reduction in unrestricted income to end the year within our reserves range. The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements ("the going concern period") which considered the inherent risks to the group's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

These forecasts assume a measured move out of lockdown in line with the government's timetable announced on 22 February 2021. Under alternate scenarios, we expect to be able to match potential shortfalls of income with a reduction in costs. Our cash flow forecast shows that, with these prudent assumptions, we would have a sufficient buffer of liquidity to manage any delays in the government's timetable or a continued weak economic environment. We have also considered the impact on our international programmes, delivered both directly and through Save the Children International. Our financial commitments to Save the Children International are outlined in note 20d of the financial statements, however we do not expect these to be called upon. We do not use borrowing facilities, nor do we expect to need borrowing facilities.

Consequently, the trustees have concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

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ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

Save the Children UK believes effective risk management is key to successfully delivering our strategic priorities and achieving our ambitions for children.

Principal risks and uncertainties in 2020

2020 was dominated by responding to immediate and longer-term uncertainties caused by the coronavirus pandemic. Despite a challenging year, most of our principal risks remained stable because we used agile mitigation strategies in response to shifting threats and priorities.

As with many other charities across the UK, we experienced increased risk to our financial stability, as income from retail shops and fundraising events was lost due to the pandemic. Decisive and early cost-cutting decisions helped to lessen the impact of reduced revenue, and we continued our efforts to diversify our income streams. Protecting health, safety and wellbeing was a central theme in our response to the pandemic. We applied robust mitigations to ensure health risks to staff, volunteers and the children and communities we work with were managed.

Risks to engaging and retaining talent were reduced over the year, as we implemented workstreams aimed at improving staff engagement and reducing attrition. The publication of the Charity Commission Inquiry report in March 2020 informed our risk management approach for our wider workplace culture strategy. The outcomes of Brexit remained under review, and we considered the impact on the charity, and our mitigations, in the event of a 'no deal' scenario.

Outside the UK, Save the Children's strategy and operating environment expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to operate in conflict-affected and fragile states, and in humanitarian emergencies. This has implications for our risk profile. During 2020, we worked closely with the Save the Children movement and our funding partners to rise to the challenges presented by the pandemic and manage risks to our international programmes.

How we managed our principal risks in 2020

In 2020, we reviewed our principal risks against the changes to our risk environment due to the pandemic. We updated the organisational risk profile on a quarterly basis to ensure we reflected new or rising threats. We also measured our principal risks against our agreed risk appetite, and this was then reviewed and challenged by the Audit & Risk Committee and Board of Trustees.

The Board of Trustees received regular risk updates throughout the year and considered the potential impact of risks on the organisation and on its ability to achieve its ambitions for children.

Risk movement in 2020

▲ Increased ▶ Stable ▼ Reduced

Principal risk	Risk mitigation strategy
Impact for children ▶ Failure to work effectively with Save the Children International and other partners to develop strong country strategies, design evidence-based programmes and implement them effectively will limit the impact of our programmes and advocacy.	We work closely with Save the Children International to design and deliver our international programmes, and have robust arrangements in place to monitor their effectiveness. In 2020, we focused on managing risks to the continued delivery of our UK and international programmes, and adapting to the needs of children in a pandemic. In response to the coronavirus pandemic, we designed new activities with our partners to provide support for children and families where it was needed most. We worked with the Save the Children movement and other partners to deliver messages on how the pandemic was affecting children and families, amplifying their voices and maximising the impact of our advocacy both in the UK and overseas. Our Board of Trustees received updates about our UK and international programmes throughout the year.

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Principal risk	Risk mitigation strategy
Safeguarding the children and adults we work with If we do not have adequate systems to prevent and respond to safeguarding incidents, children and adults may be harmed and confidence in Save the Children's ability to deliver its mission may be compromised.	We continue to invest in our safeguarding arrangements, ensuring that they are robust and reflect the environments in which we work. We have clear policies and procedures to help ensure a safe environment, including pre-engagement checks for staff and volunteers, mandatory training and reporting requirements, and a robust code of conduct. Our arrangements are routinely subject to independent audit and review. In 2020, we worked closely with Save the Children International to address safeguarding risks to the children and adults we work with, as well as our staff in our international programmes, including adhering to the policy and standards set out in our Global Child Safeguarding protocol. In the UK, teams across the charity worked proactively to prevent safeguarding incidents occurring in activities delivered in the UK. We provided new safeguarding training to our retail teams, and encouraged staff and volunteers to report incidents and concerns through a variety of channels. Our Board of Trustees and nominated Safeguarding Trustee received regular updates on the effectiveness of our safeguarding measures. Our arrangements are at times subject to independent audit and review: during 2020 we have been working through a small number of ongoing incidents, including using independent review, to identify where we can strengthen these arrangements.
Health and wellbeing of our staff and volunteers Failure to protect our staff and volunteers from health and safety incidents and promote wellbeing could lead to harm to our people and expose Save the Children to regulatory action.	We have health and safety policies and procedures in place for both UK and international contexts. Specialist staff provide advice on both physical health and mental wellbeing. In 2020, we recruited a Staff Health Adviser to support the management of coronavirus-related risks, both in the UK and overseas. We supported home working by providing staff with office equipment and advice on how to work safely at home and protect their own wellbeing. Robust mitigations were put in place in offices and shops to create safe environments. These included providing Covid-19-related health and safety training to our retail teams. Our Wellbeing team provided direct support to staff and pointed them towards mental health resources. Our Board of Trustees received regular reports on health and safety during the year.
Programming in complex environments We work in complex environments. This brings with it a range of risks, including safety and security incidents affecting our staff. It also brings risks of fraud, bribery, corruption and inadvertently working with (or assisting) prohibited parties.	Save the Children International delivers most of our overseas programmes and is responsible for managing operational risks in the challenging environments where we work. In 2020, we worked closely with it to mitigate those risks as far as possible, including risks related to coronavirus. We train our staff to manage the risks we face in delivering programmes, including risks related to security, fraud, corruption and diversion of aid. We provide staff deployed to humanitarian crises and conflicts with support for their mental wellbeing. Our Board of Trustees and Audit and Risk Committee received updates throughout the year, including quarterly fraud reports and the annual safety and security report.
Meeting regulator, donor and supporter expectations Failure to meet compliance expectations set by our regulators and donors would affect our ability to fundraise and operate in the UK. We must stand up to scrutiny from stakeholders, including the media and supporters.	Our governance arrangements are underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet our legal and regulatory obligations. We deliver fundraising and marketing activities in line with our Supporter Promise, being open about the standards we hold ourselves to when communicating with our supporters. In 2020, we conducted a review on the impact of Covid-19 on our governance controls and processes to ensure continued focus on compliance risks. We refined our approach to donor-compliance risk, strengthening oversight and reporting. Our Board of Trustees and Audit and Risk Committee received regular updates on compliance.

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Principal risk	Risk mitigation strategy
Workplace culture Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers, and could lead to reduced trust in Save the Children.	All staff sign a Code of Conduct to promote compliance with policies related to employee relations. We are implementing a comprehensive programme to build a more positive workplace culture and strengthen people-management capabilities. In 2020, we refreshed employee relations policies in consultation with staff. With staff, we co-designed a new framework for the respectful and inclusive behaviours we expect to see in the workplace, and rolled out a mandatory training programme. We also launched a Diversity and Inclusion strategy. Our People and Culture strategy is regularly reviewed by the Board of Trustees and the People Committee.
Attract, engage and retain talented people Our people are our greatest asset. If we fail to attract, engage and retain the best staff, we are less able to make a difference for children.	We ensure all staff have clear personal objectives and can see their contribution to our vision and mission. We conduct regular staff surveys to monitor engagement. In 2020, we continued to implement our People and Culture strategy and our People Deal to improve the ways in which we manage staff at Save the Children, including the training provided to line managers. Our new Diversity and Inclusion strategy aims to improve how we attract, engage and retain talent from underrepresented and marginalised groups. Our Board of Trustees and the People and Culture Committee received regular updates on how we manage our people.
Safeguarding confidential and sensitive information If we, or one of our suppliers or partners, lose or allow unauthorised access to the data we hold on the children or adults we work with, supporters, staff, volunteers or partners, it could cause harm to those individuals and lead to regulatory action against Save the Children.	We have mandatory training in place on data protection and information security to support the safe handling of data and compliance with regulations. And we have clear processes in place to manage incidents. In 2020, we completed a programme of activities to strengthen our cybersecurity capabilities and upgrades to our IT infrastructure. We also achieved Cyber Essentials certification. We conducted tests to assess the effectiveness of our controls and strengthened how we share sensitive information internally and with the wider Save the Children movement. We provided guidance to staff on the cybersecurity and data protection risks presented by homeworking during the pandemic, and worked to mitigate those risks where possible. Our Board of Trustees and Audit and Risk Committee received regular updates on our compliance with data protection policies.
Financial stability External shocks or trends impacting our income, cash flow or reserves could put our future financial stability at risk.	We monitor our actual and forecasted financial performance continuously so that we can take the appropriate measures in good time. In 2020, our unrestricted income was significantly lower because of national and regional lockdowns that meant we had to close our shops, cancel events and reduce community fundraising. We managed this fall in income by imposing an external spending freeze in April. As a result, we have maintained a strong level of general reserves through the year. We continued our strategy of diversifying our restricted income and were successful in generating new sources of funding. We will continue this strategy to mitigate against the impact of the reduction in the aid budget in 2021 and our withdrawal from EU funding. To inform its decisions, our Finance Committee and Board received updates on our actual and forecasted financial performance throughout the year. See also page 48 for financial risk management.

Continuous improvement in how we manage risk

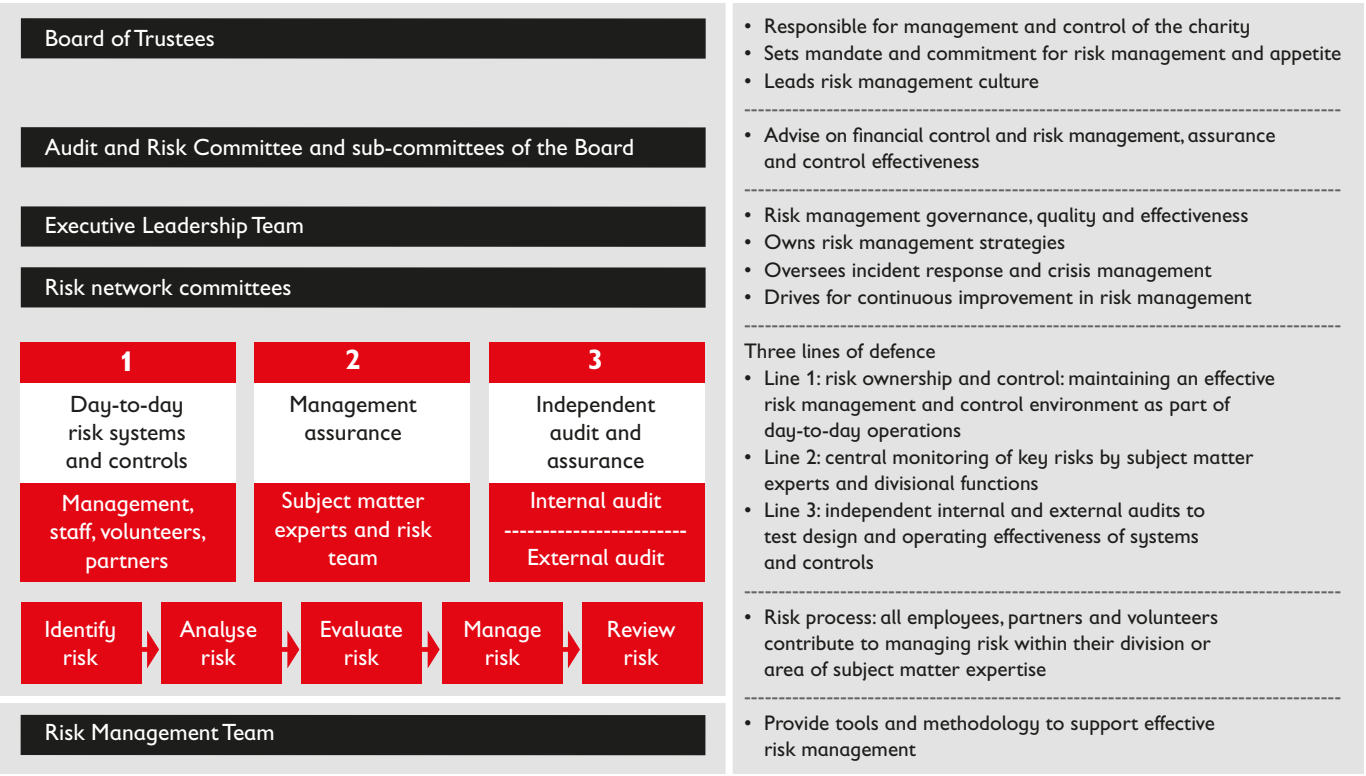
In 2020, we strengthened our risk management processes by introducing new or modified controls to adapt to the shifts in our risk landscape caused by coronavirus. We conducted a review into our business continuity response to the pandemic, which helped us learn more about how to strengthen risk management in a protracted crisis.

We reviewed our safety and security framework as part of continuous learning, and have developed plans to further strengthen how we manage these risks in 2021.

Management conducted 'deep dives' into specific risk areas to review how effectively we manage risk and provide assurance to the Audit and Risk Committee.

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ROLES AND RESPONSIBILITIES FOR MANAGING RISK



Working together to manage shared risks

The Save the Children movement operates with a networked structure, and members share exposure to financial, operational and reputational risks. We therefore work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. In 2020, the movement came together to take co-ordinated action to mitigate the risks to our financial stability and global strategy arising from the coronavirus pandemic.

Internal audit

In 2020, our internal audit function was transferred to Save the Children International's Global Assurance team, with continued support from Grant Thornton. Risk-based audits were conducted across key areas such as anti-terrorism financing, donor due diligence, and budgeting and forecasting. Internal audit reports were shared with the relevant executive director, as well as the Audit and Risk Committee. Progress on agreed audit actions were reviewed by the Audit and Risk Committee.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURAL AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

Save the Children UK is a member of the Save the Children Association (SCA), a global movement made up of 30 separate national entities (members) and Save the Children International. Save the Children International was established in 2011 with responsibility for implementing international programmes outside the SCA's member countries. Save the Children International is registered as a charity in England and Wales, and the SCA is its sole member.

Save the Children members are responsible for programming, advocacy and fundraising in their own countries, as well as maintaining oversight of the international work. Some members, including Save the Children UK, also design international programmes in conjunction with national donors, which are implemented by Save the Children International, as well as providing surge capacity to support the delivery of frontline programmes in emergency situations. Financing for international programmes is provided by 17 members, including Save the Children UK.

SAVE THE CHILDREN UK

Save the Children UK is a charitable company limited by guarantee, incorporated under the name of Save the Children Fund. The charity's articles of association provide that its trustees (who are also the directors of Save the Children for the purposes of company law) are the only members of the charity. The business of the charity is governed by the Board of Trustees (whose members during the year are listed below). The trustees are responsible for overseeing the management of all the affairs of Save the Children UK and delegate day-to-day management of the organisation to the Chief Executive and executive directors.

Save the Children Fund (1 St John's Lane, London, EC1M 4AR) is a limited company registered in England and Wales (178159) and a registered charity in England and Wales (213890), Scotland (SC039570) and Isle of Man (199).

TRUSTEES*

	Committees**
Dr Tsitsi Chawatama (Chair) (appointed 25/01/2021)	
Charles Steel (Interim Chair) (resigned 25/01/2021)	N, D, O
Richard Winter CBE (Hon. Treasurer; Vice Chair) (appointed 13/01/2020 and Vice Chair 25/01/2021)	A, F, I
Arabella Duffield (Vice Chair) (appointed Vice Chair 25/01/2021)	A, D
Jahnine Davis (appointed 28/10/2020)	S, ST
Naomi Eisenstadt (retired 24/06/2020)	S, O
Anne Fahy	O
Jessica Gladstone (appointed 11/05/2020)	D, S
Razia Khan	D
Dianna Melrose	N, W
Kajal Odedra	N, P
Tanuja Randery	P, O
David Ripert	P
Babatunde Soyoye	F
Mark Swallow	A, F, I, S

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS

	Committees**
David Poulter (resigned 04/03/2020)	I
Richard Bernays (retired 09/03/2021)	I
Peter Moon	I

* Trustee biographies are available on our website

** Committee membership as at 31 December 2020 or as of resignation/ retirement date, with the exception of the Safeguarding Committee which was created in March 2021

Committee		Chair
(A)	Audit and Risk Committee	Mark Swallow
(F)	Finance Committee	Richard Winter
(I)	Investment and Pensions Sub-Committee	Richard Winter
(D)	Donation Acceptance Committee	Jessica Gladstone
(N)	Nominations Committee	Kajal Odedra
(P)	People Committee	Tanuja Randery
(O)	Oversight Sub-Committee	n/a
(S)	Safeguarding Committee	Jahnine Davis
(ST)	Safeguarding Trustee	Jahnine Davis
(W)	Whistleblowing Trustee	Dianna Melrose

EXECUTIVE DIRECTORS

as at 31 December 2020, with the exception of the Executive Director for People who was appointed in March 2021

Kevin Watkins	Chief Executive Officer
Fiona Clark	Executive Director of Transformation
Francis D'Souza	Chief Financial Officer
Gwen Hines	Executive Director of Global Programmes
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Gemma Sherrington	Executive Director of Fundraising and Marketing
Pria Rai	Executive Director of People

COMPANY SECRETARY

Habibunnisha Patel

PRINCIPAL PROFESSIONAL ADVISERS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR
KPMG LLP
15 Canada Square, London E14 5GL

PRINCIPAL BANKERS
National Westminster Bank
PO Box 83, Tavistock House, Tavistock Square
London WC1H 9NA

PRINCIPAL INVESTMENT MANAGERS
Newton Investment Management Ltd
BNY Mellon Centre, 160 Queen Victoria Street
London EC4V 4LA

PRINCIPAL LEGAL ADVISERS
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

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SAVE THE CHILDREN UK GROUP MEMBERS

Save the Children has five subsidiaries, of which the first three listed below are operational:

- **Elrha** aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children and was established as an independent subsidiary charity in May 2018.
- **Save the Children (Sales) Limited** aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and through trading new goods through our shops, branches and website.
- **Humanitarian Leadership Academy (Enterprise)** aims to enable people around the world to prepare for and respond to crises in their own countries and generate income for Save the Children.
- **Humanitarian Leadership Academy** was designed and developed within Save the Children and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children in 2019, and it no longer has any independent operating activity.
- **Medical Emergency Relief International (Merlin)** aims to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities have now been fully transferred to Save the Children, after Save the Children became the sole member of Merlin in 2013. As a result, Merlin no longer has any operational activity.

The results of each subsidiary are consolidated into the group accounts. For further details, see accounting policies on page 74 and Group Members note 14 of the financial statements on page 86.

GRANT CUSTODIAN FOR START NETWORK

Save the Children was the host agency of Start Network, a network of more than 50 non-governmental organisations working to build a more localised, proactive and effective humanitarian sector. As the principal charity within the consortium, Save the Children was legally responsible to donors for the charitable application of funds. Funding for the consortium was recognised by Save the Children as a separate restricted fund under the agreement with donors.

On 1 May 2019, Start Network became an independent charity, with Save the Children as sole grant custodian for some of its work. Following transition, only income and expenditure of awards where Save the Children is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised. Start Network continues to work with Save the Children to bring on additional grant custodians.

HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees is responsible for ensuring that all agreed charitable objectives and activities are within UK law. Its work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out clearly in the Standing Orders of Save the Children UK.

The Board acts on advice and information from regular meetings with the Chief Executive and executive directors. Trustees are able, where appropriate, to take independent professional advice if it helps them to fulfil their role. We also agree and implement an individual induction programme for each new trustee, covering all aspects of the role and the organisation.

In 2020, the Board held four virtual meetings to review our overall progress – on the basis of reports from the Chief Executive and Executive Leadership Team – and to assess the organisation's financial position and risks. It reviewed the charity's performance in delivering against our objectives in 2020, monitored the organisation's principal risks and progress on people and culture change, and agreed our budget for 2021. The Board also held a number of ad hoc virtual meetings to discuss operational and financial matters with executive directors, for example, in light of Covid-19.

As of 31 December 2020, there were eight women and five men on the Board of Trustees, five of whom identify as people of colour.

The Board has delegated specific responsibilities to six regular committees (Audit and Risk, Finance, Donation Acceptance, Nominations, People and Safeguarding committees), one subcommittee (Investment and Pensions) and two temporary committees, whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

- The **Audit and Risk Committee** oversaw preparation of the 2019 annual report. It reviewed the assurances provided to trustees about the control environment in operation during 2020, and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2020, and received reports of completed reviews and agreed actions. The committee received updates on the management of key

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risks across a number of topics, including programming, safeguarding, fundraising and marketing, health and safety, finance, tax, insurance, people management, fraud, advocacy and campaigns, information systems (including cybersecurity), and data protection, as well as our plans in preparation for the UK's exit from the European Union. With the onset of the coronavirus pandemic, the committee received updates to every meeting on our business-continuity arrangements in response to the pandemic. For more information, please see the annual trustee risk statement on pages 49–52. The committee met six times in 2020.

- The **Finance Committee** reviewed the financial out-turn from 2019 and in-year forecasts for 2020, including amended financial plans to deal with the coronavirus pandemic, and supervised preparation of the 2021 budget. The committee also oversaw activities of the subsidiary entities, approved all Save the Children UK decisions to accept awards worth more than £10 million, and reviewed quarterly treasury updates. The committee met five times in 2020.
- The **Investment and Pensions Sub-Committee** is an advisory sub-committee of the Finance Committee. It met six times in 2020 to review the performance of Save the Children UK's investment manager and pension funds.
- The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity – and ultimately, in the best interests of children – to accept a donation or not. Information was shared with the committee by email throughout the year, and the committee met once. In 2020, it assessed 53 different high-risk opportunities from a range of donors (individuals, companies and trusts) and sectors, ranging from retail to fast-moving consumer goods. Of these, Save the Children UK agreed to proceed with 47 opportunities and rejected six.
- The **Nominations Committee** finds and recommends potential candidates for election to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the current Board. It manages a formal, rigorous and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with good governance practice under the Charity Governance Code. It considers appointments to the charity's Board committees. The committee is responsible for promoting diversity and inclusion at Board level. It manages Board diversity audits, oversees the Board's ongoing diversity and inclusion training agenda, and ensures new trustees are recruited in a way that encourages diversity and inclusivity. The committee is responsible for an annual review of the Chair's performance; however this was paused for 2020 during recruitment for our new Chair. During 2020, the Board recruited three new trustees on the recommendation of the Nominations Committee, and the committee led on the recruitment of the new Chair.
- The **People Committee** was established in 2020, replacing the Remuneration and People Committee. This change reflects a wider remit set out within the People and Culture strategy. The committee continues to oversee people and culture work, and performance and pay, in the organisation. It is also still accountable for reviewing the performance of the Chief Executive, executive directors and other key senior staff, and makes recommendations to the Board on their remuneration, benefits and terms of employment. In 2020 the committee oversaw progress on the development and implementation of a number of workforce priorities, including the People and Culture strategy, Diversity and Inclusion strategy, managing the workforce implications of the coronavirus pandemic, and workforce development. The committee holds the Executive Leadership Team to account for employee-related decisions and monitored the implementation of all recommendations from the 2018 Independent Review of Workplace Culture. The committee met four times in 2020.
- The **Oversight Sub-Committee** is a temporary subcommittee of the People Committee responsible for overseeing the improvement in adult safeguarding practices by the organisation. The committee ended on 18 March 2021.
- The **Safeguarding Committee** is a new permanent committee that was established by the Board on 18 March 2021. It will oversee serious safeguarding incidents, external investigations and reviews into serious incidents (where appropriate), the charity's safeguarding policies, the effectiveness of its safeguarding accountability mechanisms and its priorities for engagement on safeguarding matters with third parties, as well as reviewing its progress on safeguarding culture. The responsibilities of the Oversight Sub-Committee were transitioned to the Safeguarding Committee.
- The **Statutory Inquiry Committee** was a temporary committee appointed by the Board in 2018 to oversee Save the Children UK's response to the Charity Commission's statutory inquiry into the charity's response to misconduct complaints against senior staff in 2012 and 2015. The committee ended on 7 July 2020.

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TRUSTEES' RESPONSIBILITIES

Statement of responsibilities of the trustees of Save the Children Fund in respect of the trustees' annual report and the financial statements:

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

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

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company, and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

EXTERNAL AUDITOR

KPMG LLP has expressed its willingness to continue to act as auditor. A resolution to reappoint it, under section 485 of the Companies Act 2006, was approved at the Board of Trustees' meeting on 18 May 2021.

PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that we provide public benefit and achieve our objectives, as set out in our governing document. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, researching these matters, and public education about them. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning our future activities.

CHARITY GOVERNANCE CODE

In 2017, the Board of Trustees resolved to adopt the Charity Governance Code for larger charities. The code encourages charities to publish a brief narrative in their annual reports explaining how they apply it. In 2020, the Board conducted an external board effectiveness review, in accordance with the code's requirement that large charities carry out such a review every three years. The Board has met to review the findings and to agree to the recommendations it accepts.

At the end of 2020, the code was refreshed to include enhancements that focus on the principles of integrity, equality, diversity and inclusion. The Board believes that the charity's governance aligns well with the code, though focus will be given to those areas that the external review recommended for further alignment. In 2020, the Board continued to develop our governance to aspire to best practice in the following areas:

- Recruitment and diversity. In 2020, the charity recruited three new trustees to the Board, bringing the total number of trustees to 13. The Board also commenced

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recruitment for a new Board Chair who was appointed in early 2021. The selection process, led by the Nominations Committee, followed an open and more transparent process, including staff engagement in all trustee recruitments. These recruitments increased the diversity of the Board, in composition and in practice (including the recruitment of a Safeguarding Trustee with safeguarding expertise). Building on training in 2019, further diversity and inclusion awareness training for trustees was planned for 2020, but delayed by the impact of Covid-19. Training will resume in 2021.

- Board effectiveness review. The Board conducted its second external board effectiveness review, which concluded in April 2021. The external review included an assessment of Save the Children UK's governance arrangements in areas covered by the refreshed code and found that the charity had good governance arrangements in place, while identifying a few specific areas where this could be strengthened. The report was formally reviewed by the Board and it will develop an action plan to implement the agreed recommendations.

BOARD ACCOUNTABILITY

Since October 2018, as part of its commitment to transparency, the Board published summaries of its quarterly meetings on Save the Children UK's website. The Chair provides an update on the Board's quarterly meetings and outcomes with staff.

As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with staff on a quarterly basis, or whenever an ad hoc meeting is requested. It reports back on staff interests and concerns to the Board at its quarterly meetings or in the interim period, depending on the urgency of the matter being discussed.

GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we must ensure that we live up to the standards and regulations that we demand of all actors influencing children's lives. Globally, Save the Children adheres to national and international standards and regulations. We are also committed to supporting the implementation of internationally recognised conventions, including the United Nations Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination Against Women, and the UN Convention of the Rights of Persons with Disabilities, with a focus on promoting and protecting the rights of children with disabilities. We also endorse the Make My Money Matter pledge and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation. In 2020, we signed up to the UN Global Compact, which aims to mobilise a global movement of sustainable companies and stakeholders to create the world we want. Members of the movement should seek to do this by aligning their strategies and operations with the Ten Principles on human rights, labour, the environment and anti-corruption, and by taking strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

Save the Children UK takes full responsibility for using resources efficiently, achieving measurable results and being accountable to our supporters, partners, staff and, most of all, children.

Accountability and transparency to our stakeholders is crucial to delivering our strategy (see page 7). Through this strategy, we're increasing our efforts to be accountable to all our stakeholders and hold ourselves to high standards. See page 60 for how we engage with our stakeholders.

Since 2012 we have voluntarily published details of our programme spend through the International Aid Transparency Initiative (IATI). The IATI standard provides a common and open format for sharing aid information, making it easier to find, use and compare. In accordance with the IATI standard, we publish timely, detailed and comparable information on our spending, which is accessible to all our donors and supporters. Publishing this information to the IATI standard makes us more effective and accountable as an organisation.

Visit the accountability page on our website for further details of how we ensure we are accountable to our stakeholders.

Throughout this Trustees' Annual Report we have strived to maximise the transparency of our organisation. If you have any feedback on how we can improve our Annual Report or broader transparency, please contact our Senior Accountability Manager.

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SAFEGUARDING

We have continued our commitment to upholding the highest standards of safeguarding, ensuring that our safeguarding measures are robust and reflect the environments in which we work. We have continued to broaden our approach, increasing our ability to safeguard staff, the adults we work with and volunteers, while remaining steadfastly committed to safeguarding children. Building on our commitment to safeguarding all those we work with and encounter, in 2020 we:

- proactively responded to Covid-19-specific safeguarding risks to children, our staff, volunteers and all those encountering our work, providing resources and guidance to reduce harm
- provided a forum for third-sector youth organisations responding to Covid-19 safeguarding risks to share resources, identify risks and discuss best practice
- continued to support sector-wide initiatives such as the Aid Worker Registration Scheme and our work with the FCDO and Interpol on the global sharing of criminal records information and ensuring a more effective global law enforcement response to safeguarding violations
- continued to contribute to the sector working groups established by Bond
- convened and hosted safeguarding colleagues from both the UK youth sector and international NGOs to improve safeguarding practice and help keep children, communities and staff safe
- provided evidence to the International Development Committee inquiry on sexual exploitation and abuse in the aid sector
- contributed, with other specialist agencies, to National Crime Agency work to develop training and other measures to prevent and disrupt transnational child sex offenders seeking to exploit the development sector
- met with the Independent Inquiry into Child Sexual Abuse to help embed learning from the inquiry's investigations into our work and that of other organisations.

SAFEGUARDING INCIDENT REPORT 2020

We acknowledge the courage of survivors in coming forward to report abuse. We thank all those who have helped us protect children and vulnerable people in the UK and abroad by reporting their concerns.

As well as children, our safeguarding remit includes the adults in their communities, staff, volunteers and anyone else who encounters our work.

In 2020, 182 safeguarding concerns – which we categorise under the headings of emotional abuse, physical abuse, sexual abuse, neglect, exploitation, sexual harassment, and requests for assistance outside of the UK – were reported to Save the Children UK. Of these concerns, seven related to the conduct of our staff, two to children involved in Save the Children International operations, four to the wellbeing of our supporters and ten to the safety or wellbeing of our staff and volunteers (including agency staff). The remaining 159 did not relate to our operations and were dealt with in accordance with our policies and any relevant statutory guidance.

SAFEGUARDING CONCERNS RELATED TO STAFF AND VOLUNTEER CONDUCT

Staff conduct (7)

Each of the below concerns was formally investigated.

A member of staff was accused of emotionally mistreating a child. Following an investigation, the employee was dismissed for gross misconduct.

A concern was raised that an employee had sent inappropriate text messages to a former volunteer. The individual's behaviour was addressed in line with our Code of Conduct.

A concern was raised that a line manager may have acted inappropriately towards a colleague. The allegation was not upheld.

A concern was raised about the conduct of two members of staff – one former employee and another unidentified – and possible sexual harassment in the workplace. The investigation into the former concluded that no further action was necessary. The investigation into the latter remains open.

A member of agency staff displayed an inappropriate image to a colleague. The individual's engagement with Save the Children UK was terminated, and the agency informed of the incident.

A comment relating to an employee, and implying a risk to children, was made on a public Save the Children social media post by a member of the public. An investigation concluded that the comment was unfounded or deliberately false, and reported it to the social media company.

A former employee was reported, by a member of the public, to have sent inappropriate messages. The concern remains under investigation.

Volunteer conduct (0)

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SAFEGUARDING CONCERNS NOT RELATED TO STAFF AND VOLUNTEER CONDUCT

Welfare of children in the UK involved in Save the Children UK programmes (0)

In 2020 we did not receive any concerns regarding the welfare of children engaged in our UK programmes. This is likely to have been influenced by the pandemic and associated lockdown measures, which prevented most of our UK programming with children.

Welfare of children or vulnerable people in Save the Children International operations (2)

These concerns related to children involved in Save the Children International operations and were referred to Save the Children International, so it could manage them under its own systems. See below for details of safeguarding incidents relating to our international programming.

Welfare of vulnerable people (adults) in the UK involved in Save the Children UK operations, including fundraising (4)

These concerns regarded the broader welfare of Save the Children supporters. Where appropriate, we worked with colleagues to provide appropriate support to the individuals concerned.

Welfare of our staff and volunteers (10)

A member of the public disclosed that they had made sexualised remarks to an agency fundraiser, who was working on our behalf in 2013. We were unable to identify the affected agency worker.

In addition, we received nine concerns about the safety of volunteers and staff, the causes of which were not connected to our operations. These ranged from concerns that an individual was in danger of seriously harming themselves, to concerns about domestic abuse and violence. Where appropriate, referrals were made to statutory agencies and support was offered to those affected.

Welfare of children or vulnerable people not involved in Save the Children programmes or activities (159)

These related to a range of concerns, including social media content or requests for assistance from outside the UK. Where possible these were directed to the appropriate agency or organisation.

As well as the incidents reported through our safeguarding incident mechanism in 2020, there were two safeguarding cases involving staff and volunteer conduct that were investigated in 2019 and remained open in 2020. The first concerned potential breaches of our Prevention of Sexual Exploitation and Abuse (PSEA) policy. The employee was dismissed for gross misconduct, but was not found to have breached our safeguarding arrangements or our PSEA policy. The second relates to a volunteer allegedly grabbing the arm of a child in one of our UK programmes – for which the investigation has been completed – and to our handling of the incident. This latter aspect is the subject of a separate, ongoing, review.

INTERNATIONAL PROGRAMMING

Our international programmes are delivered through Save the Children International. We work together to ensure the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its Trustees' Report, to be published in mid-2021, here: https://www.savethechildren.net/about-us/accountability

STAFF SAFETY DURING THE COVID-19 PANDEMIC

On top of steps to safeguard staff wellbeing during the Covid-19 pandemic (see page 41), Save the Children UK took the following measures in 2020 to mitigate risks to staff health and safety when working overseas. We:

- restricted all but essential travel and repatriated all those wishing to return to their home countries
- ensured personal protective equipment was available where necessary, particularly in clinical settings
- treated all international travel as very high risk and required enhanced pre-deployment medical and psychological checks
- informed staff of challenges resulting from Covid-19 restrictions, reducing our capability to provide medical evacuations, consistent with our commitment of informed consent.

All work and work-related travel within the UK was undertaken in line with government guidelines. We have a centrally-managed system in place for dealing with cases of coronavirus in offices and shops.

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STAKEHOLDER ENGAGEMENT: DELIVERING VALUE

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders. This is best achieved through proactive and effective engagement.

In accordance with the charities SORP (FRS 102), we have outlined examples of how we engage with employees and taken care of their interests, as well as how we have engaged with other key stakeholders. Each stakeholder group requires a tailored approach to engagement. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns, in accordance with s172 of the Companies Act 2006. This list is not exhaustive.

Children overseas

We engage both directly with children and through their families and communities. The Save the Children movement's international development and humanitarian programmes to help children around the world are managed by Save the Children International. With our support, it engages with children and communities on needs analysis and project design – for example, consulting with people caught up in an emergency to understand how the crisis has affected them and their priorities for recovery.

With our financial and technical support, Save the Children International follows its *Accountability to Children and Communities Procedure*, which states that children and communities must:

- have access to timely and relevant information about the organisation, its activities and the behaviour they can expect from staff
- have opportunities to participate and inform decision-making
- be able to provide feedback and report any concerns they have.

EXAMPLE ENGAGEMENT OUTCOMES

- We listened to more than 8,000 children across 37 countries as they shared their experiences of the impact of the Covid-19 pandemic (see page 12). *The Hidden Impact of Covid-19 on Children* is the world's largest study on the impact of the crisis on children and has been used both to inform our response and global strategy, and to influence decision-makers around the world
- 83% of projects supported by Save the Children UK in 2020 made sure that children and communities had access to information, were systematically consulted, and could participate in decision-making – in line with the Core Humanitarian Standard on participation.

Children in the UK

A key principle of our work in the UK is 'if it matters to children and families, it matters to us'. When developing our strategy we draw on insights from children, parents and carers who we support. When we develop local community partnerships, and advocate and campaign at a national level, we make sure children's voices and those of their families are listened to.

We involve our network of parents with lived experience of poverty in shaping our campaigning priorities. We create opportunities for young people and parents to speak about what matters to them to decision-makers and the media, and support them to do so.

EXAMPLE ENGAGEMENT OUTCOMES

- We invited children from low-income families to tell us what they would find most useful to receive during lockdown. This helped improve the design of our Covid-19 Emergency Grants programme (see page 13).
- We listened to children's experiences of lockdown in the UK and captured this in our *Life Under Lockdown* report (see page 13). Their insights shaped our response to the pandemic and the report helped us advocate for children to be at the heart of the UK response to the crisis.

Youth campaigners

We work alongside children to campaign for change. Throughout the year, we engaged with youth campaigners to support their action and understand what matters most to them.

In our partnership with the Scouts, we engage with a community impact group of young people aged 14–19 who lead the Scouts' A Million Hands social action programme. Their guidance and leadership shapes our contributions to the programme.

In 2020, we started the process of developing a new Youth Advisory Board for Save the Children UK. The Board, composed of young people aged 12–17, will form part of our governance structure, acting not just as a catalyst for ideas but as a critical accountability mechanism for our decision-making.

EXAMPLE ENGAGEMENT OUTCOME

- The Scouts community impact group makes decisions about the partners we work with in the programme, provides feedback on the activities we deliver to Scouts and has final sign-off on the work we deliver. While many of our youth campaigning activities were paused in 2020 due to Covid-19 restrictions, this group guided us in adapting our work to enable them to continue to participate from home.

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Institutional donors, corporate partners and philanthropists (see pages 42–43)

We engage institutional donors through virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the World Bank Annual and Spring meetings. In 2020, most of our engagement moved online into formal bilateral meetings, where we share and compare strategic priorities.

We engage with philanthropists and partners through meetings and group workshops to explore opportunities for collaboration. We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. We regularly seek input through our Vice-Presidents' Programme and Appeal Boards, and host workshops to explore future opportunities and co-design programmes with our corporate partners.

In 2020, we undertook a detailed insight analysis with our key partners and philanthropists to inform decision-making.

EXAMPLE ENGAGEMENT OUTCOME

- In 2020, we conducted our first partnership review with the Power of Nutrition. By assessing our partnership constructively together we were able to unblock operational bottlenecks and discuss the cost profile of future projects.

Our people (see page 40)

We engage systematically with staff so they can shape our strategy, our work and – critically – our culture. We engage as we deeply value their expertise and views. It's important that they feel a strong connection with the vision of Save the Children, and feel safe and happy at work.

EXAMPLE ENGAGEMENT OUTCOMES

- In 2020, as part of our People and Culture change programme, we established a diverse staff advisory group to bring the voice of staff into organisational change projects.
- Our leadership team regularly engages with our BAME, disabilities, gender, LGBT+ Allies and parental staff equalities networks on matters of culture and equality. It consults with them about policies, and supports their initiatives to improve culture and working practices at Save the Children. The networks have been instrumental in informing decision-making and driving change.
- Our executive directors work with our new, representative, staff sounding-board to gain insight into how decisions may affect staff according to their different needs and circumstances. We hope that this approach increases transparency and trust around decision-making processes.
- In 2020, we conducted two staff engagement surveys and a third seeking feedback on ways of working during lockdown to inform subsequent decisions.

Volunteers and public supporters (see page 43)

Delivering our mission depends on the time, passion and fundraising support of our dedicated volunteers and public supporters. We want our volunteers and supporters to understand how their contribution helps children. We have a close relationship with our volunteers and engage with them frequently to update them on our work, ensure they have the support they need for a positive volunteering experience and understand their opinions to help shape our decisions.

We have a volunteer website portal, share quarterly newsletters, and have hosted a number of virtual forums and meetings in 2020. We engage with our wider public supporters to share information and understand their opinions through quarterly surveys, market research, social listening and monitoring of supporter calls.

EXAMPLE ENGAGEMENT OUTCOMES

- Our volunteers are some of our core supporters. Their feedback helps inform the regional approach to supporter engagement and provides a strong feedback loop for our work and strategies from a supporter perspective.
- Wider public supporter feedback is reflected in our supporter engagement strategy and communications. Our supporter survey indicated an average score of 8.3 (maximum 10) for the statement 'I feel I am making a meaningful difference', and an 8.5 supporter satisfaction score (end of 2020).

Save the Children global movement

Save the Children is a global membership organisation, made up of Save the Children International and 30 national members, including Save the Children UK (see page 7).

We engage closely with the movement to help shape global strategic plans, and in turn, seek feedback on where we can add most value as a member. We have two seats on the global Save the Children Board and our CEO is a member of the Management Committee that provides strategic day-to-day leadership. These governance structures are underpinned by functional groups such as the Global Policy, Advocacy and Campaigns Group, the Humanitarian Steering Group and Global Programme Directors. Save the Children UK is very active in these groups, sharing best practice, learning from others and working together to strengthen the movement.

Our technical experts liaise closely with colleagues across the movement through thematic working groups to consider new evidence and develop new guidance that is then applied by all members and country offices through Save the Children's 'Common Approaches'.

We engage with our country offices by listening to their views and supporting their Country Strategic Plans that are based on country needs and priorities. We inform our decision making through the facilitation of partnerships and funding opportunities, which are in line with these plans.

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INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2020, as part of our policies governance mechanism, we reviewed and updated eight internal policies, including our anti-terrorism and data-protection policies. We worked closely with our staff-equalities networks and the staff union to improve our managing-grievance and managing-conduct policies. We also temporarily increased our special leave from 10 to 35 days, via our special-leave policy, to support employees with caring responsibilities during the coronavirus pandemic. You can read more about how we supported our staff during the pandemic on page 41.

In 2020, we revised our approach to policy development and review to ensure a greater level of accountability.

Many of our policies and statements are published on our website, including on child safeguarding, code of conduct, donations acceptance and refusal, environmental statement, and open information. You can find out more about our organisation's policies on the accountability page of our website.

MODERN SLAVERY STATEMENT

Over the course of 2020 we have continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting and publishing key policies; continuing the inclusion of modern slavery clauses to hold accountable the parties with whom the charity contracts; and testing and identifying areas in the charity's direct supply chain where there may be the risk of forced labour, human trafficking or other forms of modern slavery. We also became a signatory to the United Nations Global Compact, enshrining in our operations its principles pertaining to the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour.

The charity is using funds and skills to work closely with Save the Children International primarily to identify, resolve and eliminate any modern slavery in the supply chain for the international work undertaken by Save the Children International. By virtue of a spend freeze in response to the Covid-19 crisis, we have an additional assurance that no new modern slavery risks arose in our supply chain. As a result, the charity has no cases of modern slavery to report in its supply chain during 2020. The charity continues to publish its modern slavery statement on its website. For more information, see the Modern Slavery Statement on our website.

GENDER PAY GAP STATEMENT

Save the Children is committed to achieving gender equity in pay. Our values as an organisation demand women and men are equally rewarded in relation to contribution, taking account of knowledge, skills and expertise. Through our programme, policy and campaigning work, we strive to support gender equity around the world, and we are working towards ensuring that our organisation reflects the commitment to equity we demand of others.

Our gender pay gap 2020

In 2020, our staff was 72% female and 28% male. Unlike recent years, where our gender pay gap has narrowed, in 2020 it showed a slight increase.

- Our median gender pay gap as of 5 April 2020 was 5.58% (4.60% in 2019) – a regression of 0.98 percentage points.
- The national median gender pay gap in 2020 was 15.50% (17.40% in 2019).
- The national median gender pay gap for the UK's largest and best-known charities (XpertHR Top Charities Salary Survey) in 2020 was 15.70% (15.90% in 2019).
- Our mean gender pay gap as of 5 April 2020 was 9.05% (8.34% in 2019).

The slight increase in our gender pay gap between 2019 and 2020 has been driven by staff movement which includes normal turnover, but also from the impact of a structural review in early 2020. We now review new starting salaries before they're approved to ensure equity in both gender and ethnicity pay.

We are committed to removing the barriers that lead to our gender pay gap. We will investigate the root causes of the gap within Save the Children UK and support female staff to progress to the most senior positions within the organisation where the gap is highest. This commitment is central to our new Diversity and Inclusion strategy.

We will always show a zero percentage for bonus payments, as we do not operate a bonus pay scheme. For more information on our gender pay gap, please see the full 2020 Gender Pay Gap Report on our website.

ETHNICITY PAY GAP

In June 2020, the executive directors acknowledged the institutional racism that exists within the charity sector and at Save the Children UK. They affirmed their commitment to tackling both. This included publishing our ethnicity pay gap and committing to narrowing it. In October 2020, we published our first Ethnicity Data and Pay Gap Report on our website.

Our ethnicity pay gap 2020

Our ethnicity pay gap, measured and published for the first time in 2020, is largely driven by a lack of ethnic diversity among our executive directors and senior leadership. Work to address this is embedded within our Diversity and Inclusion strategy and focuses on recruitment practices and career development for staff from underrepresented communities.

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The number of people of colour at Save the Children UK is relatively small (19% at time of publication), so the pay gap is sensitive to leavers and new starters. This representation and the lack of diversity among senior leadership means that, as with the gender pay gap, there is no quick fix.

- Our median ethnicity pay gap as of 30 June 2020 was 2.11%.
- The national median ethnicity pay gap in 2018 was 3.8%, and in London was 21.7%.
- Our mean ethnicity pay gap as of 30 June 2020 was 4.94%.

The most concerning finding was when we used an intersectional lens, looking at the impact when different identities, such as gender and ethnicity, overlap. We found Black women earn 23% less than White men, and 13% less than White women.

We have taken a number of immediate steps to tackle these inequalities. These include reviewing new starting salaries before approval to ensure equity in pay in terms of gender and ethnicity pay, as well as undertaking a deeper analysis of gender and ethnicity pay gaps.

OUR APPROACH TO PAY AND OVERHEADS

We are serious about being the best we can be for the world's children. That means we place a premium on attracting the best people to work for us and to lead our organisation.

Securing the right people to deliver our ambitions is key to our strategy. One of the many ways we do that is through our competitive reward structure. We commit to paying staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

We pay all staff a living wage of at least £10.85 per hour in London and £9.50 per hour in the rest of the UK, as of 31 March 2020. We are accredited by the Living Wage Foundation.

In 2020, despite the financial impact of the coronavirus pandemic, we continued our commitment to uphold our three agreed key principles for pay at Save the Children UK:

- equality/fairness
- responsible financial management
- market competitiveness in line with the wider charity sector.

Financial constraints have restricted our approach to pay management this year, including the decision not to apply a workforce-wide pay award.

Save the Children UK decided to 'top up' the government-funded furlough scheme to maintain employee salaries at 100%, as well as significantly extending special leave provisions for those with caring responsibilities.

We acknowledge that debates over pay – and executive salaries, in particular – are important and reflect genuine public concerns. We are committed to achieving the right balance between recognising these concerns while at the same time ensuring our salary levels help attract the talent we need to run an effective and efficient multinational organisation. The People Committee oversees our pay policy and decides on the salaries of our Chief Executive and executive directors (see page 55).

In line with recommendations from the National Council for Voluntary Organisations 2014 inquiry into executive pay, we publish our approach to pay, including details on our gender pay gap and ethnicity pay gap, in detail on our website. We explain how our pay levels are defined, publishing the ratio of pay levels across the organisation and listing the roles and salaries of our executive team.

For further details on staff salary and pensions costs, please see notes 8 and 25 in the financial statements (pages 82 and 99).

EXECUTIVE DIRECTOR REMUNERATION IN 2020

The trustees delegate the day-to-day running of the organisation to the executive directors, who are considered the key management personnel. Compensation for all executive directors employed at Save the Children UK for the year ending 31 December 2020 are detailed here.

All our executive directors volunteered to take a 10% cut in their gross salary from 1 May to 31 December 2020 in recognition of the financial challenges the organisation was experiencing at the start of the pandemic.

Our Chief Executive Officer is paid a full-time equivalent annual salary of £143,000 (reduced to an annualised figure of £128,700 on reduced pay). As the pay reduction was introduced in May, the actual gross salary was £133,467. The pay ratio of our CEO's pay to our employees is as follows:

- Upper quartile (£49,000): 2.9:1 (2.6:1 with 10% CEO salary cut)
- Median pay (£42,000): 3.4:1 (3.1:1 with 10% CEO salary cut)
- Lower quartile (£35,000): 4.1:1 (3.7:1 with 10% CEO salary cut)

This is the first year we have publicly reported the executive pay ratio. A year-on-year comparison will be made available in the 2021 Annual Report.

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Position	Responsibility	Actual gross salary* 2020	Full-time equivalent annual salary 2020	Full-time equivalent annual salary 2019
Chief Executive Officer Kevin Watkins	Provides overall leadership to the organisation, working with the Board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£133,467	£143,000	£143,000
Executive Director of Transformation Fiona Clark	Leads the delivery of our organisational strategy and our change programmes. Also supervises our technology, risk and legal teams (from June 2020).	£115,000	£127,778	£127,778
Executive Director of Global Programmes Gwen Hines	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£112,000	£120,000	£120,000
Interim Executive Director of Human Resources Lynne Holmes (to 13/11/2020)	Responsible for the recruitment, support and development of our team of around 1,000 staff, and for initiatives to improve our people management capabilities and employee experience.	£93,980	£112,000	£112,000
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy and campaigning work, encouraging decision-makers in the UK and around the world to deliver for the world's most deprived and marginalised children.	£104,533	£112,000	£112,000
Chief Financial Officer Sam Sharpe (to 21/06/2020)	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children. Also supervises our technology, risk and legal teams (until June 2020).	£60,147	£123,235	£123,235
Chief Financial Officer Francis D'Souza (from 11/11/2020, acting up from 22/06/2020)		£45,891	£115,000	–
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£107,333	£115,000	£115,000

** Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of voluntary pay reductions taken for part of the reporting period following the onset of the pandemic, part-time hours, individuals joining/leaving Save the Children, and redundancy payments. In addition to the gross salary, £179,599 was paid for employer's national insurance, pension contributions, life insurance and payment in lieu of notice in respect of the above individuals. From 2020 we include salaries of both interim executive directors and staff acting up into the role of executive director.*

FUNDRAISING COMPLIANCE

We comply with all relevant statutory regulations, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003 and the Telephone Preference Service. We strive for best practice in fundraising by complying with a range of codes of practice and standards. This includes being a member of the Institute of Fundraising and being registered with the Fundraising Regulator and adhering to its Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children can report a fundraising concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money, such as working with philanthropists and corporate supporters, through our chain of charity shops, via volunteer community fundraising groups, using advertising on TV and social media, through mass events such as Christmas Jumper Day, and by talking to our existing supporters. Our own internal team conducts much of this activity, but we also engage professional fundraising agencies to speak to existing supporters on the phone.

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DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal policy ensures that we do not compromise on our mission and values when it comes to raising income. It is reviewed every two years and was last reviewed in 2020. The Donation Acceptance Committee considers potential high-risk donations to Save the Children (see page 55), and in 2020 turned down six opportunities. The reason for some of these rejections include violations of The International Code of Marketing of Breast Milk Substitutes and concerns over the nutritional value of products, both of which are in conflict with important areas of our programming and advocacy work.

TREATING SUPPORTERS FAIRLY

We have continued to ensure that supporters and members of the public are afforded the highest levels of support, respect and protection. Guidance for fundraisers about ensuring we are treating our supporters fairly, including protecting supporters in vulnerable circumstances, is followed across all our fundraising activities, and we train our fundraising agencies in it. It is also a key consideration when we monitor our fundraising.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children engages 'professional fundraisers' (agencies) to undertake fundraising on our behalf through telephone fundraising. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising undertaken on our behalf is of the highest standard, compliant with all regulation and embodies Save the Children's supporter-centric approach. We monitor our agencies through a combination of call monitoring, contract monitoring, regular meetings and training fundraisers on our expectations. We report our findings to our Audit Committee on a regular basis.

We also work with corporate partners who sell goods and donate a proportion of the proceeds to us. In 2020, this included:

- Adidas, which produced and sold face masks, with a portion of the proceeds going to Save the Children
- Biscuiteers, which sold bespoke biscuit tins in aid of Save the Children
- The OutNet, which sold a clothing collection designed by Save the Children UK ambassador Laura Bailey, with 10% of sales being donated
- Bloomsbury Publishing, which donated 80p of every paperback and £1 of every hardback sold of *The World Made a Rainbow* by Michelle Robinson.

RAISING A CONCERN OR MAKING A COMPLAINT

We know there are times when we do not meet the high standards we set ourselves as an organisation. When we fall short, we investigate and take steps to prevent the problem happening again.

In 2020, our supporter-facing teams received 380 public complaints. This is a 21% decrease from 2019 (478). We are continuously improving our fundraising and marketing practice, ensuring our supporters are at the heart of decisions about our fundraising. We have adjusted the frequency of our appeals and the fundraising methods we use to generate income. Through our efforts to constantly improve, we have reduced gift processing and administration errors.

There were 24 complaints from the public prompted by the conclusion of the Charity Commission's statutory inquiry report into Save the Children UK's handling of misconduct cases in 2012 and 2015, and subsequent media coverage in 2018. These complaints identify instances where we have fallen short in the past. Robust and rigorous action continues to be taken to ensure Save the Children is run to the highest governance standards.

Save the Children will continue to take a principled stand on important issues affecting children, which may generate complaints. Complaint rates about our work will therefore inevitably vary from year to year. It is vital we engage and build understanding with people who disagree with us.

The below graphic provides a breakdown of complaints by thematic area. The largest complaint category – fundraising: gift administration (222) – relates to errors processing supporters' donations. In almost every instance, these errors were quickly remedied. Nevertheless, sustained efforts are being made to improve the procedures and systems used to process donations.

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Regulator's complaints-reporting guidelines, Save the Children is committed to fair, honest and open fundraising practice. For further details on our complaints procedure, please see our website.

Breakdown of public complaints received in 2020	
Fundraising (gift administration)	222
Fundraising (methodology and solicitation)	80
Our work	17
Governance, strategy and policy	41
Advocacy and campaigns	12
Trading	8
Total complaints	**380**

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SAVE THE CHILDREN IN SCOTLAND

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Save the Children's activities during 2020 addressed issues faced by children in Scotland as well contributing to the global aims of Save the Children.

SUPPORTING FAMILIES DURING THE PANDEMIC

In Scotland we adapted our work to meet the immediate needs of families in the wake of the Covid-19 pandemic. We provided emergency support for low-income families at home.

Across seven local authorities, we delivered more than 1,000 emergency grants to more than 2,000 children living in poverty. With funding from the Scottish government and in partnership with Play Scotland, we distributed nearly 30,000 learning packs of books, activities and games. For families with no or limited digital access, printed learning packs were crucial.

An evaluation showed that parents chose to spend their grants on food, children's clothes and toys. The grants reduced stress, provided more play opportunities, and supported better routines. Families' experiences and needs have shaped our calls on the Scottish government to put more money in families' pockets.

WORKING WITH SCHOOLS TO SUPPORT LEARNING AT HOME

Covid-19 disrupted young lives, and risked pushing children living in poverty further behind their better-off peers.

With support from the Scottish government, we helped 20 schools deliver Families Connect before the pandemic. After the coronavirus outbreak, the programme was adapted to be delivered online to parents at home. The updated programme emphasises children's social and emotional development and wellbeing, as well as literacy, numeracy and communication skills. We trained 85 practitioners across four local authorities in the new model.

BRINGING COMMUNITIES TOGETHER

We want every community in Scotland to work better to tackle child poverty. In partnership with STV Children's Appeal, we worked with partners to refine our Children's Places programme. The programme gives children and families a voice in shaping support and services that improve their communities.

INFLUENCING AND CAMPAIGNS

Since the pandemic hit, we have focused on campaigning for more support for children in poverty. We partnered with the Joseph Rowntree Foundation and members of End Child Poverty in Scotland to call on the UK and Scottish governments to provide urgent financial support for low-income families. We collated and shared evidence on the financial impact of the pandemic.

The Scottish government extended support for free school meals over holiday periods, introduced a £100 winter payment for low-income families and committed to the introduction of a Scottish Child Payment for young children in early 2021. We also:

- brought stakeholders together for a national conference on the impact of poverty on children in their early years
- drew on our programme experience to contribute to national guidance on how parents can support their children's learning.

Nearly 100 years after our founder, Eglantyne Jebb, wrote the declaration on children's rights, the Scottish government published a Bill to incorporate the UN Convention of the Rights of the Child into law. We contributed our views on the Bill and its implementation.

FUNDRAISING TO DELIVER OUR WORK

We're grateful to a wide range of funders who made our work in Scotland possible during 2020. This includes the Scottish government, the STV Children's Appeal, individual donors and our partners Hearts Football Club.

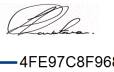
OUR GLOBAL ROLE

We worked with the Disasters Emergency Committee Scotland Coronavirus Appeal, which raised £3 million in Scotland and liaised with the Scottish media to raise awareness of global emergencies. We continued our membership of the Scottish government's Humanitarian Emergencies Fund Panel, securing funding for our response to the floods in Niger.

Approval of the Trustees' Report

The Trustees' Report on pages 4–66 was approved by the Board of Trustees on 18 May 2021.

DocuSigned by:



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Dr Tsitsi Chawatama
Chair of Trustees, Save the Children
20 May 2021

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SAVE THE CHILDREN FUND

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, legacy income, and charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate accounting entries, and the risk

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of bias in accounting estimates and judgments such as pension assumptions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations;
- Using data analytics procedures to test donations income by identifying unusual postings for additional investigation;
- Agreeing a sample of legacy income transactions back to relevant legal documents; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy
- Assessing significant accounting estimates, such as pension assumptions, for bias.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

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

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

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

OTHER INFORMATION

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

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 56, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.

Lynton Richmond

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

Date: 25th May 2021

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STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2020 £000**	Total funds year to 31/12/2019 £000
Income and endowments from:					
Donations and legacies	2	64,232	24,211	**88,443**	89,206
Charitable activities	3	–	188,924	**188,924**	200,343
Other trading activities	4	6,585	–	**6,585**	13,451
Investments	5	760	–	**760**	1,068
Other	6	3,786	232	**4,018**	3,297
Total income		75,363	213,367	**288,730**	307,365
Expenditure on:					
Raising funds					
Raising donations and legacies	7	19,904	751	**20,655**	26,858
Other trading activities	7	7,826	7	**7,833**	8,992
Investment management costs	7	93	–	**93**	120
Total raising funds		27,823	758	**28,581**	35,970
Charitable activities					
Nutrition	7	2,625	17,563	**20,188**	22,144
Livelihoods	7	4,594	33,010	**37,604**	29,073
Health	7	6,005	36,496	**42,501**	37,220
Protection and rights	7	1,237	9,913	**11,150**	16,487
Education	7	6,533	37,121	**43,654**	43,680
Rapid onset emergencies	7	13,237	72,488	**85,725**	105,585
Advocacy and awareness	7	7,837	3,459	**11,296**	16,443
Total charitable activities		42,068	210,050	**252,118**	270,632
Other	7	2,460	2	**2,462**	2,297
Total expenditure		72,351	210,810	**283,161**	308,899
Net gains on investments	13	795	203	**998**	3,692
Movement on share of associates surplus	14	24	–	**24**	67
Net income		3,831	2,760	**6,591**	2,225
Transfers between funds	21	(129)	129	**–**	–
Actuarial (loss)/gains on defined benefit pension scheme	25	(5,829)	–	**(5,829)**	4,795
Net movement in funds		(2,127)	2,889	**762**	7,020
Fund balances brought forward		44,266	13,588	**57,854**	50,834
Fund balances carried forward	21	42,139	16,477	**58,616**	57,854

All gains and losses recognised in the year are included above. All activities relate to continuing operations.

The restricted fund balances carried forward include £4,865,000 (2019: £4,395,000), which relates to endowment funds.

There were no new endowments in the year and there were gains in the funds in the current year of £203,000 (2019: £625,000).

The accompanying notes are an integral part of this consolidated statement of financial activities.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 DECEMBER 2020

	Notes	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Fixed assets					
Intangible assets	11	**888**	1,653	**888**	1,653
Tangible assets	12	**1,894**	2,433	**1,894**	2,433
Investments	13	**37,932**	36,243	**38,207**	36,518
Associates	14b	**591**	567	**–**	–
		41,305	40,896	**40,989**	40,604
Current assets					
Stocks	15	**1,395**	1,268	**1,282**	1,162
Grant debtors	16a	**24,968**	21,568	**21,906**	21,251
Other debtors	16b	**36,694**	32,804	**36,413**	32,505
Short-term deposits		**23,872**	19,402	**23,872**	19,402
Cash at bank and in hand		**20,544**	30,248	**20,278**	29,375
		107,473	105,290	**103,751**	103,695
Creditors: amounts falling due within one year	17a	**(78,650)**	(75,854)	**(78,731)**	(77,584)
Net current assets		**28,823**	29,436	**25,020**	26,111
Total assets less current liabilities		**70,128**	70,332	**66,009**	66,715
Creditors: amounts falling due after more than one year	17b	**(1,207)**	(3,155)	**(1,207)**	(3,155)
Provisions for liabilities	18	**(7,548)**	(8,698)	**(6,728)**	(8,359)
Net assets excluding pension liability		**61,373**	58,479	**58,074**	55,201
Defined benefit pension scheme liability	25	**(2,757)**	(625)	**(2,757)**	(625)
Total net assets		**58,616**	57,854	**55,317**	54,576
Unrestricted funds					
General reserve	21	**34,143**	32,248	**34,148**	32,255
Revaluation reserve	21	**4,350**	4,788	**4,350**	4,788
Designated funds	21	**6,403**	7,855	**3,621**	4,873
Total unrestricted funds excluding pension reserve		**44,896**	44,891	**42,119**	41,916
Pension reserve	25	**(2,757)**	(625)	**(2,757)**	(625)
Total unrestricted funds		**42,139**	44,266	**39,362**	41,291
All restricted and endowed funds					
Restricted income funds	22	**11,612**	9,193	**11,090**	8,890
Endowment funds	23	**4,865**	4,395	**4,865**	4,395
Total restricted funds		**16,477**	13,588	**15,955**	13,285
Total funds		**58,616**	57,854	**55,317**	54,576

The accompanying notes are an integral part of these consolidated and charity balance sheets.

The financial statements on pages 71 to 106 were approved by the Board of Trustees on 18 May 2021 and signed on their behalf by the Chair and Honorary Treasurer on 20 May 2021.

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Dr Tsitsi Chawatama – Chair

DocuSigned by:
Richard Winter
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Richard Winter CBE – Honorary Treasurer

Company Number: 178159

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Net cash flows from operating activities	(a)	**(5,228)**	6,079
Cash flows from investing activities			
Bank interest received	5	**209**	335
Dividends received	5	**551**	733
Purchase of intangible fixed assets	11	**–**	(279)
Purchase of tangible fixed assets	12	**(51)**	(408)
Proceeds from sale of fixed assets		**–**	–
Purchase of investments	13	**(9,321)**	(6,061)
Proceeds from sale of investments	13	**8,524**	11,029
Net cash movement in investments	13	**106**	89
Investment in associate	14b	**(24)**	(67)
Net cash used in investing activities		**(6)**	5,371
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	**(5,234)**	11,450
Cash and cash equivalents at the beginning of the year		**49,650**	38,200
Cash and cash equivalents at the end of the year		**44,416**	49,650

The accompanying notes are an integral part of this consolidated cash-flow statement.

NOTES TO THE CASH-FLOW STATEMENT	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
(a) Reconciliation of net income to net cash flow from operating activities		
Net income	**6,591**	2,225
Investment income	**(760)**	(1,068)
Gains on investments	**(998)**	(3,692)
Adjustment for pension funding	**242**	470
Payments to defined benefit pension scheme	**(3,939)**	(5,047)
Net loss on disposal of fixed assets	**8**	4
Depreciation charge	**582**	635
Amortisation charge	**765**	1,464
Impairment charge	**–**	278
Increase in stocks	**(127)**	(382)
(Increase)/decrease in debtors	**(7,290)**	14,285
Increase/(decrease) in creditors falling due within one year	**2,796**	(3,716)
Decrease in creditors falling due in more than one year	**(1,948)**	(180)
(Decrease)/increase in provisions	**(1,150)**	803
Net cash flows from operating activities	**(5,228)**	6,079

(b) Analysis of cash and cash equivalents	At 01/01/2020 £000	Cash flow £000	**At 31/12/2020 £000**
Cash at bank and in hand	30,248	(9,704)	**20,544**
Short-term deposits	19,402	4,470	**23,872**
	49,650	(5,234)	**44,416**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' published in October 2019, and applicable United Kingdom law and accounting standards.

The charity meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash-flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The group meets the definition of a public benefit entity under FRS 102. See page 56 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared on the going concern basis. The trustees have prepared cash-flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of Covid-19 on the operations and its financial resources, the Group and Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period. More information is provided in the financial performance section of the trustees' report on page 48.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, Save the Children (Sales) Limited, Medical Emergency Relief International (Merlin), Humanitarian Leadership Academy (Enterprises) Limited, Humanitarian Leadership Academy and Elrha. The results of these subsidiaries are consolidated on a line-by-line basis.

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme-related investment as this investment is made directly in pursuit of SCUK's charitable purposes. Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside of the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

Save the Children UK has treated the William Belmer Rush Foundation as an associate owing to the significant influence exerted over its financial and operating policies, and has accounted for the Foundation in the group financial statements on a net equity basis. The consolidated SOFA includes the group's share of the associates surplus or deficit.

The charity has availed itself of Paragraph 4 (1) of Schedule 1 to the Accounting Regulations and has adapted the Companies Act formats to reflect the special nature of the charity's activities.

Save the Children UK was the lead agency of Start Network, a network of more than 50 non-governmental organisations working to strengthen the humanitarian aid sector. As the principal charity within the consortium Save the Children UK was legally responsible to donors for the charitable application of funds. Funding for the consortium was recognised by Save the Children UK as a separate restricted fund under the agreement with donors. On 1 May 2019, Start Network became an independent charity, with Save the Children UK as sole grant custodian for some of its work. Following transition, only income and expenditure on awards where Save the Children is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised. Start Network continues to work with Save the Children UK to bring on additional grant custodians.

(B) COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 53. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in note 21.

Unrestricted funds include a **pension reserve** adjustment to match the pension deficit, in line with FRS 102 section 28: Employee Benefits.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. Costs are charged against the specific fund in line with donor wishes. An analysis of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent assets received that may not be exhausted. Only the income may be expended. Net investment gains and losses are recognised against the relevant endowment fund.

Investment income and gains are allocated to the appropriate fund.

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1. ACCOUNTING POLICIES (CONTINUED)

(D) INCOME

All incoming resources are included in the SOFA when Save the Children UK is entitled to the income, when receipt of funds is probable, and when the amount can be measured with sufficient reliability.

Donations and legacies

Donations

Donations include all income received by the charity that is made on a voluntary basis and is not conditional on delivering certain levels or volumes of service or supply of charitable goods. This will include grants from institutions, corporates and major donors that provide core funding, or are of a general nature.

Legacies

Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.

Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement.

Reversionary interests involving a life tenant are not recognised until we are notified that the prior interest has ended.

Gifts in kind

Gifts for onward distribution

Gifts in kind donated for distribution are included at fair value and are recognised as income and stock when they are received from donors and in expenditure when they are distributed to beneficiaries. Gifts in kind include food, clothing and medical supplies.

Gifts for resale

Gifts in kind donated for resale are recognised within retail income when they are sold.

Donated facilities and support

Gifts in kind also include campaigning and fundraising goods and services, all recognised when received or performed. These have been valued by officers of Save the Children UK either at market value or, where a market value is not available, based on appropriate estimates.

Volunteers

Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community fundraisers and ambassadors. However in accordance with the SORP, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities

Grants from governments, agencies and foundations, corporates and trusts have been included as 'Income from charitable activities' where these grants specifically outline the goods and services to be provided to beneficiaries. For these performance-related grants, in the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific programme, as this is deemed to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (as deferred income) and expenditure in excess of cash included as a debtor (as accrued income).

For payment-by-results contracts, where it has been agreed with the donor that we can retain the surplus, with no restrictions on how these are used, these have been reflected as a transfer between restricted and unrestricted funds.

Unless otherwise specified by donors, restricted funds are not held in separate bank accounts, and any interest income arising on restricted funds held is treated as unrestricted to offset the costs where Save the Children UK is required to pre-finance projects.

Other trading activities

Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax.

Lottery income is proceeds from lotteries held by the People's Postcode Lottery (PPL). SCUK has no ability to alter the price of the tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as principal. Net proceeds due to SCUK are recognised under other trading activities in the statement of financial activities and analysed in note 4b.

(E) EXPENDITURE

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds is that incurred in seeking voluntary income, running our retail operations and managing our investments, and does not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

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1. ACCOUNTING POLICIES (CONTINUED)

Support costs, such as general management, governance, human resources, financial management, programme support, information systems and premises costs are allocated across the categories of charitable activities and costs of raising funds. The basis of the cost allocation has been explained in the notes to the accounts.

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

All expenditure of a capital nature on relief and development work overseas is expensed as incurred, as are items of expenditure in the UK under £5,000. However, for leasehold property improvements where individual costs are below the stated capitalisation threshold but collective costs are above £5,000 these are capitalised at the time of purchase.

Fixed assets are capitalised at cost, which, for gifts of property, is taken as the value accepted for stamp duty purposes on transfer.

Depreciation is provided from the time assets are available for use at rates calculated to write off the costs on a straight-line basis over their expected useful economic lives, as follows:

Freehold properties	50 years
Leasehold property improvements – headquarters	Lease period
Other leasehold property improvements	Shorter of 10 years and lease period
Computer equipment	5 years

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

Investments are stated at market value at the balance-sheet date. The SOFA includes the net gains or losses arising on revaluation and disposals throughout the year.

Investments in subsidiaries and programme-related investments are included in the balance sheet at their historical cost (ie, the fair value of the consideration given by the company) less, where appropriate, impairment provisions for any permanent decrease in value.

(I) STOCKS

Stocks are valued at cost less an allowance for obsolescence. Undistributed gifts in kind are recognised on the balance sheet as stocks at the fair value of those gifts at the time of receipt.

(J) PENSION COSTS

For defined benefit schemes, the amounts charged in expenditure are the costs arising from employees' services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the statement of financial activities and included within finance costs or credits similar to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in actuarial gains/losses on defined benefit pension schemes in the SOFA.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities (iBoxx Corporate AA 15+ years index), but a reduction in the rate has been made to take into account the duration of the scheme's liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance-sheet date. A pension liability, if applicable, is presented separately after net assets on the face of the balance sheet. A pension asset, if applicable, is only recognised if recoverable by Save the Children.

The charity contributes to a defined benefit scheme, which was closed to new entrants on 14 June 2002.

For defined contribution schemes, the amount charged to the statement of financial activities in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which is in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees. The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

The charity contributes to a defined contribution pension plan operated by Legal & General. The assets of the scheme are held separately from those of the charity. The contribution payments are charged to the SOFA.

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1. ACCOUNTING POLICIES (CONTINUED)

(K) FINANCE AND OPERATING LEASES

Instalments on operating lease contracts are charged to the SOFA on a straight-line basis over the life of the lease. The group does not have assets under finance leases.

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance-sheet date into the accounts presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Appropriate action is taken to mitigate foreign exchange risk. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

Provisions for liabilities are recognised when there is a legal or constructive obligation for which a measurable future outflow of funds is probable.

Where the time value of money is material, provisions are discounted using a discount rate reflecting the current market assessment of the time value of money as represented by the interest rates available to the group when placing cash on deposit.

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2019: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2019: Nil)

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

(O) FINANCIAL INSTRUMENTS

Financial assets and 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.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group 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.

(P) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

Revenue recognition

Due to the range and complexity of the group's funding streams, revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in accounting policy 1d. The recognition and valuation of legacy income also requires significant judgement – see note 1d for further details.

Pension liability

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of changes in these assumptions.

Provisions

Provisions such as the dilapidations, bad debt and terminal grants involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.

Cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. The bases used are outlined in note 7e.

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2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2020 £000**	Year to 31/12/2019[2] £000
(a) Donations and gifts				
Individuals – regular giving	32,944	770	**33,714**	35,044
Individuals – one-off donations, appeals and events	10,662	3,698	**14,360**	13,682
Trusts and major donors	2,583	4,581	**7,164**	8,933
Corporate fundraising	995	3,906	**4,901**	3,866
Institutional donors	19	7,712	**7,731**	400
	47,203	20,667	**67,870**	61,925
(b) Gifts in kind by type				
Gifts in kind for distribution	–	2,929	**2,929**	2,326
Headquarters professional services	–	289	**289**	406
Fundraising	–	27	**27**	387
	–	3,245	**3,245**	3,119
(c) Legacies				
Legacies[1]	17,029	299	**17,328**	24,162
Total donations and legacies	64,232	24,211	**88,443**	89,206

[1] The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, whether because probate has not yet been obtained, or on grounds of insufficient probability, was £3.3 million (2019: £3.1 million).

[2] The presentation of this note has been amended in the year to provide greater transparency on our regular versus one-off donations from individuals. The 2019 comparatives have been reclassified to ensure consistency, however there is no impact on the overall totals.

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2020 restricted £000	Year to 31/12/2019 restricted £000
Performance-related grants		
UK central government	**62,858**	68,849
Irish government	**3,291**	2,608
Other national governments	**10,507**	11,891
UK local and regional government	**753**	1,018
European Commission (including European Community Humanitarian Aid Office)	**8,772**	18,915
Disasters Emergency Committee	**4,547**	6,790
Education Cannot Wait	**12,992**	8,238
United Nations	**34,567**	42,670
World Bank	**3,263**	2,939
Total government and multilateral organisations	**141,550**	163,918
Comic Relief	**486**	431
Bill & Melinda Gates Foundation	**2,554**	2,633
Corporate partners	**17,200**	16,525
Trusts	**19,989**	4,493
Other	**7,145**	12,343
Total income from charitable activities	**188,924**	200,343

European Commission includes £1,284,00 from ECHO, corporate partners includes £2,606,000 from IKEA Foundation for Start Network and trusts includes £18,000 from Lankelly Chase.

Income from charitable activities relates to income from performance-related grants that are used to further our charitable objectives across our thematic areas.

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4. OTHER TRADING ACTIVITIES

	Year to 31/12/2020 unrestricted £000	Year to 31/12/2019 unrestricted £000
Retail income (see note 4a)	**3,992**	10,540
Lottery income (see note 4b)	**2,593**	2,911
Total trading income	**6,585**	13,451

(a) Retail income and costs	Charity £000	Save the Children (Sales) Ltd £000	**Total year to 31/12/2020 £000**	Total year to 31/12/2019 £000
Retail income	3,691	301	**3,992**	10,540
Cost of sales	–	(181)	**(181)**	(366)
Direct expenses	(7,441)	(240)	**(7,681)**	(8,626)
Total expenses	(7,441)	(421)	**(7,862)**	(8,992)
(Deficit)/Surplus	(3,750)	(120)	**(3,870)**	1,548

Additional net income was raised in relation to shops which is disclosed elsewhere and includes £463,000 (2019: £373,000) of donations raised in shops, and £20,000 (2019: £29,000) of property income, totalling £483,000 (2019: £402,000). Our 2020 retail income includes £905,000 (2019: nil) received from local authorities through the Retail, Hospitality and Leisure Grant government coronavirus support scheme.

(b) Lottery income

During the year, Save the Children UK received net proceeds of lotteries held by the People's Postcode Lottery. As noted in the accounting policy in note 1d, the net proceeds are recognised as income, which are determined as follows:

	Year to 31/12/2020 £000	Year to 31/12/2019 £000
Ticket value	**8,104**	9,097
Prize fund	**(3,237)**	(3,639)
Management fee	**(2,274)**	(2,547)
Net proceeds	**2,593**	2,911

5. INVESTMENT INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Dividends on investments listed on a recognised stock exchange	551	–	**551**	733
Interest on bank deposits and other investments	209	–	**209**	335
	760	–	**760**	1,068

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Rental income	2,214	–	**2,214**	1,827
Other income	1,572	232	**1,804**	1,470
	3,786	232	**4,018**	3,297

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7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly: Staff costs (note 8) £000	Activities undertaken directly: Other direct costs £000	Activities undertaken directly: Gifts in kind £000	Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Expenditure on raising donations and legacies (note 7d)	17	9,765	7,670	397	2,806	–	**20,655**	26,858
Expenditure on other trading activities	–	2,414	4,735	–	684	–	**7,833**	8,992
Investment management costs	–	–	88	–	5	–	**93**	120
	17	12,179	12,493	397	3,495	–	**28,581**	35,970
Charitable activities								
Nutrition	15,705	281	502	1,107	1,136	1,457	**20,188**	22,144
Livelihoods	30,426	669	763	886	2,130	2,730	**37,604**	29,073
Health	35,078	595	894	474	2,392	3,068	**42,501**	37,220
Protection and rights	9,247	186	241	37	630	809	**11,150**	16,487
Education	34,370	1,891	1,653	2	2,577	3,161	**43,654**	43,680
Rapid onset emergencies	59,654	8,779	6,759	85	4,905	5,543	**85,725**	105,585
	184,480	12,401	10,812	2,591	13,770	16,768	**240,822**	254,189
Advocacy and awareness (note 7c)	2,426	5,990	375	–	1,772	733	**11,296**	16,443
Total charitable activities	186,906	18,391	11,187	2,591	15,542	17,501	**252,118**	270,632
Support costs	853	17,104	18,503	206	(19,165)	(17,501)	**–**	–
Other expenditure[1]	–	–	2,334	–	128	–	**2,462**	2,297
Total expenditure	187,776	47,674	44,517	3,194	–	–	**283,161**	308,899
Prior year	191,413	53,669	60,662	3,155	–	–	**308,899**	

[1] Costs relating to the sub-let of certain floors of the headquarters building at St John's Lane have been identified as a separate activity of the group.

(b) Grant funding of activities

During the year ended 31 December 2020, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at https://www.savethechildren.org.uk/content/dam/global/reports/note-grants-list-2020.pdf.

(c) Save the Children's advocacy and awareness activities

These have several objectives, including:

- informing our supporters and the wider public about the reality of children's lives throughout the world, based on our experience in many countries
- influencing key decision-makers on social and economic policies affecting children, drawing evidence for our advocacy and campaigning work directly from our global programmes
- educating children and young people in the UK by bringing global perspectives to the curriculum and promoting the UN Convention on the Rights of the Child.

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change through mobilising millions of people around the world to show they care and demand others fulfil their responsibilities.

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7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Mass fundraising (including legacies)	**17,172**	22,139
Trusts and major donors	**1,384**	2,550
Corporate fundraising	**2,099**	2,169
	20,655	26,858

(e) The support costs and the basis of their allocation were as follows:

Support costs include the cost of providing key organisational support in the areas of general and financial management, human resources and information technology. In addition, this includes costs incurred directly to design and monitor our programmes, and the costs incurred by SCI to deliver our international portfolio.

Management and administration costs	**Basis of apportionment**	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
General management	Pro-rata by expenditure	**2,806**	2,576
Governance	Pro-rata by expenditure	**1,076**	1,131
Human resources	Pro-rata by salary costs	**2,884**	2,466
Financial management	Pro-rata by expenditure	**3,000**	3,189
Premises and facilities	Pro-rata by building usage	**3,306**	3,726
Technology	Pro-rata by expenditure	**6,056**	7,306
Gifts in kind (pro-bono professional services)	Pro-rata by expenditure	**206**	364
(Gains)/losses on foreign exchange	Pro-rata by expenditure	**(191)**	314
Net interest cost[1]	Pro-rata by expenditure	**22**	200
		19,165	21,272
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	**3,114**	3,466
Programme support	Pro-rata by charitable expenditure	**6,306**	7,474
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	**4,703**	4,801
		14,123	15,741
Additional contributions			
Contribution to growth of other Save the Children members	Pro-rata by charitable expenditure	**628**	97
SCI strategic investment funding	Pro-rata by charitable expenditure	**2,750**	3,660
		3,378	3,757
Total programme support		**17,501**	19,498
Total support costs		**36,666**	40,770
Financed by unrestricted funds		**25,702**	28,519
Charged to restricted awards		**1,240**	1,774
Indirect cost recovery[2]		**9,724**	10,477
		36,666	40,770

[1] This is the net interest cost on the pension schemes, see note 25 for further details.

[2] Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

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7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

Group auditor's remuneration	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Audit of charity	**134**	110
Audit of subsidiaries	**34**	43
Total audit	**168**	153
Audit related assurance services	**2**	4
Total assurance services	**2**	4
Other non-audit services	**–**	–
Total non-audit services	**–**	–
Total fees	**170**	157

Lease rentals: land and buildings	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Retail	**2,373**	2,527
Programme offices	**213**	347
Headquarters	**3,946**	4,105
	6,532	6,979

Ex-gratia payments

There were no ex-gratia payments made in the reporting period (2019: one). The ex-gratia payment made in 2019 was to the relatives of testators who had willed part of their estate to Save the Children UK, a share in a property asset valued at £8,000. Save the Children UK waived their right to this. The Board of Trustees considered this a moral obligation as there was indication of clear intentions by the testator that the property should pass to the relative of the testator.

8. STAFF COSTS

(a)

	Year to 31/12/2020 £000	Year to 31/12/2019 £000
Wages and salaries	**38,883**	42,297
National Insurance	**4,241**	4,669
Pension costs defined contribution scheme	**2,154**	2,524
Pension costs defined benefit scheme	**220**	270
Other staff costs	**2,176**	3,909
	47,674	53,669

Staff costs are shown inclusive of all amounts directly funded by donors through programme awards.

Included within staff costs is £269,685 (2019: £846,852) of termination costs, incurred primarily as a result of implementing new operating models for our programming, fundraising, advocacy and technology teams to improve delivery of our strategy.

(b) The average number of employees calculated on a full-time equivalent basis, analysed by function, was:

	Average headcount		Average FTE headcount	
	Year to 31/12/2020 number	Year to 31/12/2019 number	**Year to 31/12/2020 number**	Year to 31/12/2019 number
Charitable activities	**636**	729	**619**	706
Raising funds	**289**	338	**283**	330
	925	1,067	**902**	1,036

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8. STAFF COSTS (CONTINUED)

(c) At 31 December 2020, the number of staff was as follows:

	Headcount[1] number	Headcount equivalent[2] number
UK HQ	726	708
UK non-HQ	154	147
International	33	33
	913	888

[1] Headcount is defined as the number of roles filled by employees.
[2] Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

(d) The following number of employees (including those on short-term contracts) earned emoluments within the bands shown below.
Emoluments include salaries, fees, amounts in lieu of notice, compensation or redundancy payments, sums paid by way of expenses allowance (so far as they are chargeable to UK income tax) and the estimated money value of any other benefits received otherwise than in cash, and exclude employer pension costs.

	Year to 31/12/2020 number	Year to 31/12/2019 number
£60,001–£70,000	**40**	40
£70,001–£80,000	**15**	16
£80,001–£90,000	**7**	7
£90,001–£100,000	**1**	3
£100,001–£110,000	**2**	–
£110,001–£120,000	**2**	3
£120,001–£130,000	**1**	1
£130,001–£140,000	**1**	–
£140,001–£150,000	**–**	1
	69	71

(e) 2020 Executive Director remuneration
The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2020 was £951,910 (2019: £871,967) of which £772,351 (2019: £740,664) was actual gross salary and £179,559 (2019: £131,303) was paid for employer's national insurance, pension contributions, life insurance and payment in lieu of notice. Variances year on year are caused by individuals leaving or joining Save the Children offset by the impact of voluntary pay reductions. A detailed breakdown by executive director is included on page 64 of this report.

9. TRUSTEES' REMUNERATION

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services.

Out-of-pocket expenses were reimbursed to trustees or paid directly on their behalf as follows:

	Year to 31/12/2020 number of trustees	Year to 31/12/2019 number of trustees	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Expenses including travel and subsistence	**–**	1	**–**	0

Trustees received no remuneration or direct expenses for volunteering their time.
Save the Children has purchased indemnity insurance at a cost of £22,400 (2019: £22,400) that provides cover:
(i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
(ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

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10. RELATED-PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 102, the related-party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

As well as donating their time and expertise during 2020, the trustees made unconditional donations of £64,181 (2019: £228,365) to the charity.

Two members of the Save the Children UK board are also on the board of Save the Children International: Anne Fahy was on both for all of 2020 and Charles Steel was on both but resigned from the Save the Children International board on 31 December 2020 and the Save the Children UK board on 25 January 2021. Transactions with Save the Children International are detailed below.

Save the Children UK contributes to a defined benefit funded pension scheme administered by The Pensions Trust. For details of transactions with The Pensions Trust in the year, please see note 25.

Transactions with Save the Children International in the year are detailed below:

Income and expenditure items	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Funds transferred for programme delivery	**134,719**	145,173
Country operating costs	**3,388**	3,436
Central and regional operating costs	**4,703**	4,801
Core contributions	**3,114**	3,466
Member growth	**628**	97
Strategic investment funding	**2,750**	3,660
Quality Impact Fund	**1,527**	1,694
Reimbursements	**14**	(177)
	150,843	162,150

Balance-sheet items	**As at 31/12/2020 £000**	As at 31/12/2019 £000
Prepayment for programme activity	**17,625**	11,536
Cost of services incurred by Save the Children UK/(SCI) to be settled in the future	**72**	831
Programme-related investment	**955**	955

11. INTANGIBLE FIXED ASSETS

Group and Charity	Computer software £000	Assets under construction £000	**Total £000**
Cost at 1 January 2020	12,592	285	**12,877**
Additions	–	–	**–**
Cost at 31 December 2020	12,592	285	**12,877**
Accumulated amortisation at 1 January 2020	11,224	–	**11,224**
Charge for the year	765	–	**765**
Accumulated amortisation at 31 December 2020	11,989	–	**11,989**
Net book value at 31 December 2020	**603**	**285**	**888**
Net book value at 31 December 2019	1,368	285	1,653

Assets under construction relate to software systems that are not yet complete. Expenditure on these assets is capitalised as incurred but no amortisation is charged until the asset is available for use, at which point a rate appropriate to the useful economic life of the asset will be applied.

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12. TANGIBLE FIXED ASSETS

(a) Group and Charity

	Freehold property £000	Leasehold property improvements £000	Computer equipment £000	**Total £000**
Cost at 1 January 2020	1,210	7,142	64	**8,416**
Additions	–	51	–	**51**
Disposals	–	(692)	–	**(692)**
Cost at 31 December 2020	1,210	6,501	64	**7,775**
Accumulated depreciation at 1 January 2020	557	5,378	48	**5,983**
Charge for the year	38	537	7	**582**
Disposals	–	(684)	–	**(684)**
Accumulated depreciation at 31 December 2020	595	5,231	55	**5,881**
Net book value at 31 December 2020	**615**	**1,270**	**9**	**1,894**
Net book value at 31 December 2019	653	1,764	16	2,433

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2019: £nil).

13. INVESTMENTS

	Notes	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Fixed asset investments	13a	**36,977**	35,288	**36,977**	35,288
Investment in SCI		**955**	955	**955**	955
Investment in subsidiary	13b	**–**	–	**275**	275
Total investments		**37,932**	36,243	**38,207**	36,518

(a) Fixed-asset investments	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Market value at start of year	**35,288**	36,653	**35,288**	36,603
Acquisitions	**9,321**	6,061	**9,321**	6,061
Sales proceeds	**(8,524)**	(11,029)	**(8,524)**	(10,979)
Net movement in cash balances	**(106)**	(89)	**(106)**	(89)
Net realised investment gains	**1,218**	996	**1,218**	996
Net unrealised investment (loss)/gain	**(220)**	2,696	**(220)**	2,696
Market value at end of year	**36,977**	35,288	**36,977**	35,288

The market value is represented by:	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Equities and commodities	**19,002**	20,984	**19,002**	20,984
Bonds	**2,515**	3,831	**2,515**	3,831
Cash and cash equivalents	**15,460**	10,473	**15,460**	10,473
	36,977	35,288	**36,977**	35,288

Save the Children UK's investment managers have discretion to manage the investment portfolio within an agreed risk profile and in accordance with our ethical policy. The mix of investments and the balance of risk and liquidity is reviewed in the light of Save the Children UK's long-term financial plans.

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14.

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14. GROUP MEMBERS

Subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin)	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec
Associate undertakings				
William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
Lead consortium member				
Start Network	9286835	UK	Humanitarian response charity	N/A

For entities with non co-terminous year ends, results for the 12-month period to 31 December 2020 have been consolidated.
On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of HLA. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for HLA under s279A of the Act relating to subsidiary companies.
The registered address of each group member is 1 St John's Lane, London, EC1M 4AR.

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		**Merlin**		**HLA**		**HLA Enterprises Ltd**		**Elrha**	
	Year to 31/12/2020 £000	Year to 31/12/2019 £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Income	**606**	1,070	**273**	171	**5**	1,650	**221**	–	**13,735**	7,297
Expenditure	**(499)**	(715)	**(502)**	(27)	**(5)**	(1,897)	**(211)**	(4)	**(13,513)**	(7,408)
Net income/ (expenditure)	**107**	355	**(229)**	144	**–**	(247)	**10**	(4)	**222**	(111)
Donation to parent charity	**(107)**	(355)	**–**	–	**–**	(583)	**(6)**	–	**–**	–
Net movement in funds	**–**	–	**(229)**	144	**–**	(830)	**4**	(4)	**222**	(111)

	As at 31/12/2020 £000	As at 31/12/2019 £000	**As at 31/12/2020 £000**	As at 31/12/2019 £000	**As at 31/12/2020 £000**	As at 31/12/2019 £000	**As at 31/12/2020 £000**	As at 31/12/2019 £000	**As at 31/12/2020 £000**	As at 31/12/2019 £000
Assets	**274**	292	**3,282**	3,028	**–**	85	227	59	**3,215**	1,105
Liabilities	**(24)**	(42)	**(941)**	(457)	**–**	(85)	(202)	(39)	**(2,848)**	(961)
Net assets	**250**	250	**2,341**	2,571	**–**	–	25	20	**367**	145

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14. GROUP MEMBERS (CONTINUED)

(b) Associate undertakings

During the year, Save the Children UK received £26,000 (2019: £25,000) as grant funding and £1,000 (2019: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	**Group Year to 31/12/2020 £000**	Group Year to 31/12/2019 £000
At 1 January	**567**	500
Share of retained profit for the year	**24**	67
At 31 December	**591**	567

(c) Start Network

Save the Children UK is acting as the grant custodian on Start Network awards, and in that capacity is legally responsible to donors for the charitable application of funds. The income, spend and fund balances for these awards are included within the Start Network restricted fund in Note 22.

15. STOCKS

	Group 31/12/2020 £000	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Gift in kind stock for distribution	**196**	144	**196**	144
Emergency	**1,068**	990	**1,068**	990
Goods for resale	**113**	106	**–**	–
Head office	**18**	28	**18**	28
	1,395	1,268	**1,282**	1,162

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16. DEBTORS

(a) Grant debtors	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
UK central government	**3,362**	4,463	**1,733**	4,146
Other national governments	**1,433**	1,125	**661**	1,125
UK local and regional government	**55**	197	**55**	197
European Commission (including European Community Humanitarian Aid Office)	**6,690**	8,876	**6,690**	8,876
Disasters Emergency Committee	**1,515**	–	**1,515**	–
Education Cannot Wait	**–**	96	**–**	96
United Nations	**6,859**	3,633	**6,859**	3,633
World Bank	**160**	1,007	**160**	1,007
Other	**7**	–	**7**	–
Total government and multilateral organisations	**20,081**	19,397	**17,680**	19,080
Comic Relief	**111**	–	**111**	–
Corporate partners	**2,332**	1,202	**2,332**	1,202
Trusts	**288**	681	**288**	681
Other	**2,156**	288	**1,495**	288
Total other	**4,887**	2,171	**4,226**	2,171
Total grant debtors	**24,968**	21,568	**21,906**	21,251

Grant debtors above include amounts both billed and unbilled.

(b) Other debtors				
Trade debtors	**718**	235	**532**	165
Legacy debtors	**13,038**	14,136	**12,936**	13,964
Amount owed by subsidiary undertakings	**–**	–	**55**	120
Taxes recoverable	**900**	1,322	**900**	1,320
Prepayments and accrued income	**4,108**	4,361	**4,094**	4,216
Save the Children International	**17,697**	12,367	**17,697**	12,367
Other debtors	**233**	383	**199**	353
	36,694	32,804	**36,413**	32,505

All debtors are falling due within one year.

Debtor balance with Save the Children International represents prepaid funding for future programmatic activity.

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17. CREDITORS

(a) Amounts falling due within one year	**Group 31/12/2020 £000**	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Trade creditors	**2,787**	4,236	**2,622**	4,000
Taxes and social security	**1,061**	1,136	**1,005**	1,101
Amount owed to subsidiary undertakings	**–**	–	**2,311**	3,020
Accruals	**5,538**	2,605	**3,939**	2,501
Deferred income[1]	**66,110**	66,692	**65,768**	65,837
Operating lease incentives[2]	**179**	179	**179**	179
Grant obligations	**36**	814	**–**	772
Other creditors	**2,939**	192	**2,907**	174
	78,650	75,854	**78,731**	77,584
(b) Amounts falling due in more than one year				
Operating lease incentives[2]	**1,207**	1,155	**1,207**	1,155
Long-term loan	**–**	2,000	**–**	2,000
	1,207	3,155	**1,207**	3,155

[1] The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £55,558,000 arose in the year and £56,140,000 brought forward from 2019 was released.

[2] The operating lease incentives represent the value of payments, and discounts in the form of rent-free periods, received by Save the Children UK when entering into the 25-year lease on the headquarters building. It is being released over the term of the lease.

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At 01/01/2020 £000	Provision created/ (released) £000	Provision utilised £000	Total 31/12/2020 £000
Terminal grants and severance	227	(5)	(222)	–
Dilapidations	1,412	205	(64)	1,553
Grants	3,918	94	(428)	3,584
Tax	2,630	(325)	(50)	2,255
Other	511	–	(355)	156
	8,698	(31)	(1,119)	7,548

Charity	At 01/01/2020 £000	Provision created/ (released) £000	Provision utilised £000	Total 31/12/2020 £000
Terminal grants and severance	227	(5)	(222)	–
Dilapidations	1,412	205	(64)	1,553
Grants	3,658	(408)	(430)	2,820
Tax	2,630	(325)	(50)	2,255
Other	432	1	(333)	100
	8,359	(532)	(1,099)	6,728

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18. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Terminal grants and severance provisions relate to employees in country programmes leaving employment with Save the Children UK and transitioning to Save the Children International. The amounts payable are determined by the salary and length of service of the employees. The provision represents the accumulated entitlements of all such employees. The provision is released when payments are made to employees on departure.

Dilapidations represent the estimated costs of payments required to make good leased property upon the termination of the lease. The provision amount relating to individual property is released on termination of the lease.

Grant provisions represent estimated funds returnable to donors where Save the Children UK has not been able to spend funds received in accordance with donor wishes and grants which require an element of co-financing where Save the Children UK may be required to provide the additional financing.

Tax provisions represent the accumulated estimated tax liability in overseas jurisdictions where the amount payable is disputed or the tax legislation is unclear.

19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity
The total future minimum lease payments under non-cancellable operating leases

Total payments due	**Total 31/12/2020 £000**	Total 31/12/2019 £000
Within one year	**6,206**	6,312
In years two to five	**19,348**	19,981
After five years	**11,232**	15,187
	36,786	41,480

The lease commitment for the head office building is included above.

20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

(a) The table below shows the charity's and group's commitment in delivering projects on behalf of donors, which will be completed over a number of years as detailed below. Where we have been notified of a reduction to the award value following UK government aid cuts we have amended this disclosure accordingly. Commitments could decrease further if additional cuts are made.

A proportion of the funds needed for these programmes has already been received and is included within deferred income in note 17. For those not yet received, there are legal agreements with donors to ensure that Save the Children UK will be reimbursed for completion of those projects.

	Group 31/12/2020 £000	Group 31/12/2019 £000	**Charity 31/12/2020 £000**	Charity 31/12/2019 £000
Within one year	**156,333**	169,324	**144,324**	164,122
Between two and five years	**99,258**	90,658	**53,342**	77,623
After five years	**5,039**	6,048	**5,039**	6,048
	260,630	266,030	**202,705**	247,793

(b) Save the Children UK has entered into a number of grants where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year-end there were still several grants in progress for which no donor had been found. These amounted to £7 million (2019: £6.6 million). A provision of £0.7 million (2019: £1 million) has been recognised as at 31 December 2020 in respect of grants where Save the Children does not expect to be able to find donors for these over the remaining life of the projects.

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20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS (CONTINUED)

(c) Save the Children UK has entered into a number of long-term contracts for the supply of services, all of which are cancellable.

(d) The delivery of the Charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI does not raise funds for its own account, instead relying entirely on resources provided by and channelled through the member organisations.

Save the Children UK has future commitments in respect of Save the Children International:

i) The International Programming (IP) contracts provide for those members of Save the Children Association (SCA) for whom SCI delivers international programmes to provide a share of an indemnity capped at US$20 million in the event that members choose to cease SCI's programming activity. At 31 December 2020, Save the Children UK's share of this was approximately $3.5 million (2019: $3.8 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

   Under the IP contracts, Save the Children UK has given a number of other indemnities to SCI. These include indemnities in respect of operations in countries prior to the date of their programming transition to SCI. These indemnities principally concern retention by Save the Children UK of responsibility for liabilities prior to the date of such transition. At the date of signing the accounts, no material pre-transition issues relating to the normal course of business had been identified. Accordingly, no provision has been made in relation to these indemnities.

ii) The Save the Children Members have also provided SCI with a standby letter of credit to the value of $6.2 million, of which Save the Children UK's share is $3.1 million. This facility is provided in the event of SCI requiring reserves. SCI hold reserves to meet the following purposes:
   - the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
   - the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
   - the costs of closure or wind-down of the core operations of the charity.

   The standby letter of credit is provided by Standard Chartered. As at 31 December 2020, no amounts had been drawn down on this facility.

iii) With the advent of Covid-19 and its potential impact on SCI's ability to deliver its programmes, members signed a letter of agreeement in 2020 to confirm that in accordance with the Membership Contribution Agreement an additional reserves contribution would be made if required. Any replenishment to the IP reserves would be to a level not exceeding $15 million and contributions would be made in accordance with established member shares. SCUK's contribution would not exceed $4 million. The agreement remains in place until December 2021, but based on SCI's latest forecasts it is not expected that additional contributions will be required.

(e) Save the Children UK also has guarantees with Standard Chartered Bank totalling €0 million (2019: €1.9 million) at the year end in relation to grant prefinancing.

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21. STATEMENT OF FUNDS

(a) Group	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2020 £000**
Unrestricted funds						
General reserve	32,248	75,090	(70,309)	955	(3,841)	**34,143**
Revaluation reserve	4,788	–	–	(160)	(278)	**4,350**
Designated funds:						
Fixed-asset reserve	3,627	–	(1,303)	–	51	**2,375**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	567	–	–	24	–	**591**
Merlin	2,415	273	(497)	–	–	**2,191**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	44,891	75,363	(72,109)	819	(4,068)	**44,896**
Pension reserve (note 25)	(625)	–	(242)	(5,829)	3,939	**(2,757)**
Total unrestricted funds	44,266	75,363	(72,351)	(5,010)	(129)	**42,139**
All restricted and endowed funds						
Restricted income funds (note 22)	9,193	213,367	(210,810)	–	(138)	**11,612**
Endowment funds	4,395	–	–	203	267	**4,865**
Total restricted funds	13,588	213,367	(210,810)	203	129	**16,477**
Total funds	57,854	288,730	(283,161)	(4,807)	–	**58,616**

(b) Charity	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2020 £000**
Unrestricted funds						
General reserve	32,255	74,382	(69,600)	955	(3,844)	**34,148**
Revaluation reserve	4,788	–	–	(160)	(278)	**4,350**
Designated funds:						
Fixed-asset reserve	3,627	–	(1,303)	–	51	**2,375**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	41,916	74,382	(70,903)	795	(4,071)	**42,119**
Pension reserve (note 25)	(625)	–	(242)	(5,829)	3,939	**(2,757)**
Total unrestricted funds	41,291	74,382	(71,145)	(5,034)	(132)	**39,362**
All restricted and endowed funds						
Restricted income funds (note 22)	8,890	204,688	(202,353)	–	(135)	**11,090**
Endowment funds	4,395	–	–	203	267	**4,865**
Total restricted funds	13,285	204,688	(202,353)	203	132	**15,955**
Total funds	54,576	279,070	(273,498)	(4,831)	–	**55,317**

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21. STATEMENT OF FUNDS (CONTINUED)

The **general reserve** represents the free funds of the charity that are not designated for particular purposes.

The **revaluation reserve** represents the difference between the historic cost of fixed-asset investments and their revalued amount.

The **fixed-asset reserve** represents the net book value of tangible and intangible assets originally funded from general reserves. The transfer into the fund represents capital additions less disposal proceeds and depreciation. An adjustment is made for operating lease incentives in relation to fixed assets purchased by the landlord for our headquarters.

The **programme-related investment** represents the value of Save the Children UK's investment in SCI.

The **associates reserve** represents the value of Save the Children UK's investment in the William Belmer Rush Foundation (see note 14 for details).

The **Merlin** reserve represents the value of funds that have been designated to spend in line with the objects of Merlin.

The **St John's Lane reserve fund** represents funds set aside for potential future refurbishment of the headquarters building and the eventual replacement of large capital items. Save the Children UK is responsible for this expenditure on its headquarters under its lease with Standard Life that runs until 2028. In addition, Save the Children UK has responsibilities towards its sub-tenants who occupy part of the headquarters building.

The **pension reserve** represents the reported liability on the defined benefit pension scheme under FRS 102 (see note 25 for details). Transfers to the pension reserve represent payments into the scheme during the year for both the defined benefit plan and the growth plan.

The **restricted income funds** represent unexpended balances on donations and grants given for specific purposes (see note 22 for details).

The **endowment funds** represent assets received that may not be exhausted (see note 23 for details).

Prior-year comparatives:

(c) Group	At 01/01/2019 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2019 £000**
Unrestricted funds						
General reserve	33,178	92,463	(89,381)	831	(4,843)	**32,248**
Revaluation reserve	2,566	–	–	2,236	(14)	**4,788**
Designated funds:						
Fixed-asset reserve	5,269	–	(2,329)	–	687	**3,627**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	500	–	–	67	–	**567**
Merlin	–	–	–	–	2,415	**2,415**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	42,759	92,463	(91,710)	3,134	(1,755)	**44,891**
Pension reserve (note 25)	(9,997)	–	(470)	4,795	5,047	**(625)**
Total unrestricted funds	32,762	92,463	(92,180)	7,929	3,292	**44,266**
All restricted and endowed funds						
Restricted income funds (note 22)	14,297	214,902	(216,719)	–	(3,287)	**9,193**
Endowment funds	3,775	–	–	625	(5)	**4,395**
Total restricted funds	18,072	214,902	(216,719)	625	(3,292)	**13,588**
Total funds	50,834	307,365	(308,899)	8,554	–	**57,854**

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21. STATEMENT OF FUNDS (CONTINUED)

(d) Charity	At 01/01/2019 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	**At 31/12/2019 £000**
Unrestricted funds						
General reserve	31,087	91,584	(88,819)	831	(2,428)	**32,255**
Revaluation reserve	2,566	–	–	2,236	(14)	**4,788**
Designated funds:						
Fixed-asset reserve	5,269	–	(2,329)	–	687	**3,627**
Programme-related investment	955	–	–	–	–	**955**
Associates (note 14)	–	–	–	–	–	**–**
Merlin	–	–	–	–	–	**–**
St John's Lane reserve fund	291	–	–	–	–	**291**
Total unrestricted funds excluding pension reserve	40,168	91,584	(91,148)	3,067	(1,755)	**41,916**
Pension reserve (note 25)	(9,997)	–	(470)	4,795	5,047	**(625)**
Total unrestricted funds	30,171	91,584	(91,618)	7,862	3,292	**41,291**
All restricted and endowed funds						
Restricted income funds (note 22)	12,875	214,229	(214,927)	–	(3,287)	**8,890**
Endowment funds	3,775	–	–	625	(5)	**4,395**
Total restricted funds	16,650	214,229	(214,927)	625	(3,292)	**13,285**
Total funds	46,821	305,813	(306,545)	8,487	–	**54,576**

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22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2020 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2020 £000**
Regions					
East Africa	698	57,779	(58,641)	351	**187**
Southern Africa	245	7,265	(7,339)	3	**174**
West and Central Africa	(494)	21,144	(21,386)	623	**(113)**
Asia	(238)	27,931	(27,739)	280	**234**
Latin America and Caribbean	7	1,341	(1,053)	75	**370**
Middle East and South-East Europe	232	9,971	(12,411)	2,959	**751**
United Kingdom	3,168	7,313	(8,078)	1,359	**3,762**
Multi-region	1,248	9,966	(11,583)	1,653	**1,284**
Emergency appeals					
Syria	397	2,546	(2,147)	147	**943**
Yemen	1,580	7,044	(5,655)	(2,198)	**771**
Cyclone Idai	(65)	3,192	(3,295)	197	**29**
Covid-19	–	3,995	(2,135)	(1,601)	**259**
Other	929	1,185	(1,321)	(735)	**58**
Other funds					
Children's Emergency Fund[2]	734	2,404	(147)	(2,705)	**286**
Thematic/country funds[3]	61	1,225	(141)	(1,106)	**39**
Start Network	(21)	34,118	(33,188)	–	**909**
Elrha	145	13,730	(13,509)	–	**366**
Other	567	1,218	(1,042)	560	**1,303**
	9,193	213,367	(210,810)	(138)	**11,612**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.

[2] Children's Emergency Funds not yet allocated to particular country programmes.

[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

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22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2020 recategorised[1] £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2020 £000**
Regions					
East Africa	698	57,779	(58,641)	351	**187**
Southern Africa	245	7,265	(7,339)	3	**174**
West and Central Africa	(501)	21,144	(21,386)	623	**(120)**
Asia	(314)	27,931	(27,739)	280	**158**
Latin America and Caribbean	7	1,341	(1,053)	75	**370**
Middle East and South-East Europe	217	9,971	(12,411)	2,959	**736**
United Kingdom	3,168	7,313	(8,078)	1,359	**3,762**
Multi-region	1,194	9,966	(11,583)	1,653	**1,230**
Emergency appeals					
Syria	397	2,546	(2,147)	147	**943**
Yemen	1,580	7,044	(5,655)	(2,198)	**771**
Cyclone Idai	(65)	3,192	(3,295)	197	**29**
Covid-19	–	3,995	(2,135)	(1,601)	**259**
Other	929	1,185	(1,321)	(735)	**58**
Other funds					
Children's Emergency Fund[2]	734	2,404	(147)	(2,705)	**286**
Thematic/country funds[3]	61	1,225	(141)	(1,106)	**39**
Start Network	(21)	34,118	(33,188)	–	**909**
Elrha	–	5,052	(5,052)	–	**–**
Other	561	1,217	(1,042)	563	**1,299**
	8,890	204,688	(202,353)	(135)	**11,090**

[1] Individual funds brought forward have been recategorised within the analysis above to more accurately reflect the location or nature of the individual fund. There is no impact on total restricted reserves brought forward.
[2] Children's Emergency Funds not yet allocated to particular country programmes.
[3] Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

(c) Included in the restricted fund balances are the following:

	At 01/01/2020 £000	Income £000	Expenditure £000	Transfers £000	**At 31/12/2020 £000**
Big Lottery Fund					
National Lottery – UK Emerging Futures	–	8	(8)	–	**–**
	–	8	(8)	–	**–**

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23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2020 £000	Other gains/losses £000	Transfers £000	**At 31/12/2020 £000**
The Oliver Children's fund	4,395	203	267	**4,865**
	4,395	203	267	**4,865**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2020 £000**
Tangible and intangible fixed assets	407	–	2,375	–	–	–	**2,782**
Fixed-asset investments	27,762	4,350	1,546	–	–	4,865	**38,523**
Current assets	27,477	–	2,482	–	77,514	–	**107,473**
Current liabilities	(12,748)	–	–	–	(65,902)	–	**(78,650)**
Non-current liabilities	(1,207)	–	–	–	–	–	**(1,207)**
Provisions for liabilities and charges	(7,548)	–	–	–	–	–	**(7,548)**
Pension liability	–	–	–	(2,757)	–	–	**(2,757)**
	34,143	4,350	6,403	(2,757)	11,612	4,865	**58,616**

(b) Charity

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2020 £000**
Tangible and intangible fixed assets	407	–	2,375	–	–	–	**2,782**
Fixed-asset investments	28,037	4,350	955	–	–	4,865	**38,207**
Current assets	26,846	–	291	–	76,614	–	**103,751**
Current liabilities	(13,207)	–	–	–	(65,524)	–	**(78,731)**
Non-current liabilities	(1,207)	–	–	–	–	–	**(1,207)**
Provisions for liabilities	(6,728)	–	–	–	–	–	**(6,728)**
Pension liability	–	–	–	(2,757)	–	–	**(2,757)**
	34,148	4,350	3,621	(2,757)	11,090	4,865	**55,317**

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24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior period comparatives:

(a) Group

Fund balances at 31 December 2019 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2019 £000**
Tangible and intangible fixed assets	459	–	3,627	–	–	–	**4,086**
Fixed-asset investments	26,105	4,788	1,522	–	–	4,395	**36,810**
Current assets	26,564	–	2,706	–	76,020	–	**105,290**
Current liabilities	(9,027)	–	–	–	(66,827)	–	**(75,854)**
Non-current liabilities	(3,155)	–	–	–	–	–	**(3,155)**
Provisions for liabilities and charges	(8,698)	–	–	–	–	–	**(8,698)**
Pension liability	–	–	–	(625)	–	–	**(625)**
	32,248	4,788	7,855	(625)	9,193	4,395	**57,854**

(b) Charity

Fund balances at 31 December 2019 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	**Total 31/12/2019 £000**
Tangible and intangible fixed assets	459	–	3,627	–	–	–	**4,086**
Fixed-asset investments	26,380	4,788	955	–	–	4,395	**36,518**
Current assets	28,584	–	291	–	74,820	–	**103,695**
Current liabilities	(11,654)	–	–	–	(65,930)	–	**(77,584)**
Non-current liabilities	(3,155)	–	–	–	–	–	**(3,155)**
Provisions for liabilities	(8,359)	–	–	–	–	–	**(8,359)**
Pension liability	–	–	–	(625)	–	–	**(625)**
	32,255	4,788	4,873	(625)	8,890	4,395	**54,576**

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25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(b) – (c) Defined Benefit Triennial valuation

(d) – (k) Accounting valuation under FRS 102 (defined benefit scheme)

(l) Save the Children UK has a Group Personal Pension (GPP), provided by Legal and General, as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long-term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

(m) The Pensions Trust Growth Plan (multi-employer scheme)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust growth plan £000	**Year to 31/12/2020 £000**	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2019 £000
Net pension liability at start of period	–	625	**625**	8,964	1,033	9,997
Expenses	220	–	**220**	270	–	270
Net interest expense	(179)	6	**(173)**	183	17	200
Contributions by employer	(3,820)	(119)	**(3,939)**	(4,923)	(124)	(5,047)
Net actuarial losses/(gains) in the year	13,177	9	**13,186**	(11,672)	(301)	(11,973)
Losses due to benefit changes	16	–	**16**	–	–	–
Effect of movement in asset ceiling	(7,178)	–	**(7,178)**	7,178	–	7,178
Net pension liability at 31 December	2,236	521	**2,757**	–	625	625

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2017 by a professionally qualified actuary. This reported the scheme assets as £154.48m and the scheme liabilities as £181.11m. This corresponds to a scheme deficit of £26.63m and a funding level of 85.29%.

It was agreed with The Pensions Trust that this deficit would be met by Save the Children UK paying an increased employer percentage contribution rate plus fixed additional contributions. As a result of Covid-19, a three-month payment holiday was agreed with the trustees during 2020, offset by agreed increased payments over the remaining period. The original and revised schedule of contributions, paid in monthly instalments, is shown below:

	Revised schedule	**Original schedule**
Employer (from 1 April 2018 to 31 March 2020)	£4,700,000 per annum	£4,700,000 per annum
Employer (from 1 April 2020 to 31 August 2020)	£4,850,000 per annum	£4,850,000 per annum
Employer (from 1 September 2020 to 30 November 2020)	£nil per annum	£4,850,000 per annum
Employer (from 1 December 2020 to 31 March 2021)	£4,850,000 per annum	£4,850,000 per annum
Employer (from 1 April 2021 to 31 March 2022)	£5,621,000 per annum	£5,000,000 per annum
Employer (from 1 April 2022 to 31 December 2022)	£5,771,000 per annum	£5,150,000 per annum

The latest triennial valuation was performed in September 2020 and the preliminary results show a deficit of £9.2 million. Based on this latest valuation we will be agreeing a revised schedule of deficit contributions with The Pensions Trust. The data for the 30 September 2020 triennial shows that there were 0 active members, 962 deferred members and 823 pensioner members – a total of 1,785 members.

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25. PENSION COSTS (CONTINUED)

(c) Triennial valuation: assumptions

The triennial actuarial valuation carried out at 30 September 2017 used the following principal assumptions:

Average rate of return on investments pre-retirement	Gilt curve plus 2.9%
Average rate of return on investments post-retirement	Gilt curve plus 0.45%
Retail Price Index assumption	RPI Inflation curve
Consumer Price Index assumption	RPI less 0.9%

Mortality 93% after retirement of S2PMA (males) and S2PFA (females).
CMI_2016 with long-term improvement rates of 1.5% pa for males and 1.25% for females.

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2020

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance-sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance-sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance-sheet date. In the 2020 triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2020 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied then explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

(i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer

(ii) the scheme holds quoted securities and these have been valued at bid-price.

(e) Net movement in pension liability	Year to 31/12/2020 £000	Year to 31/12/2019 £000
Net pension liability at start of year	**–**	8,964
Expenses	**220**	270
Net interest expense	**(179)**	183
Contributions by employer	**(3,820)**	(4,923)
Net actuarial losses/(gains) in the year	**13,177**	(11,672)
Losses due to benefit changes	**16**	–
Effect of asset ceiling	**(7,178)**	7,178
Net pension liability at 31 December	**2,236**	–

(f) Amounts recognised in the balance sheet	Notes	Year to 31/12/2020 £000	Year to 31/12/2019 £000
Present value of funded obligations	25h	**216,936**	179,759
Fair value of scheme assets	25i	**(214,700)**	(186,937)
Effect of asset ceiling		**–**	7,178
Net pension liability		**2,236**	–

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25. PENSION COSTS (CONTINUED)

(g) Amounts recognised in the statement of financial activities	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Interest income	**3,726**	4,364
Interest expense	**(3,547)**	(4,547)
Interest on effect of asset ceiling	**(179)**	–
Net interest expense	**–**	(183)
Expenses	**(220)**	(270)
Benefit changes	**(16)**	–
Total expense/(income)	**(236)**	(453)
Net actuarial (losses)/gains in the year	**(13,177)**	11,672
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost): gain/(loss)	**7,178**	(7,178)
Interest on effect of asset ceiling	**179**	–
Total increase in net funds	**(6,056)**	4,041

(h) Change in the present value of the defined benefit obligation	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Opening defined benefit obligation	**179,759**	167,919
Interest cost	**3,547**	4,547
Actuarial losses	**38,499**	12,447
Net benefits paid (including expenses)	**(4,885)**	(5,154)
Losses due to benefit changes	**16**	–
Closing defined benefit obligation	**216,936**	179,759

(i) Change in the fair value of scheme assets	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Opening fair value of the scheme assets	**186,937**	158,955
Expenses	**(220)**	(270)
Interest income	**3,726**	4,364
Actuarial gains	**25,322**	24,119
Contributions by employer	**3,820**	4,923
Net benefits paid (including expenses)	**(4,885)**	(5,154)
Closing fair value of the scheme assets	**214,700**	186,937
Actual return on scheme assets	**29,048**	28,483

(j) The assets at 31 December 2020 are represented by:	**At 31/12/2020 Fair value £000**	At 31/12/2019 Fair value £000
Equities	**42,439**	43,244
Property	**12,046**	10,745
Fixed interest and index-linked bonds	**127,634**	107,621
Absolute return	**16,941**	9,990
Infrastructure	**6,673**	6,284
Other	**8,967**	9,053
Scheme assets	**214,700**	186,937

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25. PENSION COSTS (CONTINUED)

(k) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	**Year to 31/12/2020 % p.a**	Year to 31/12/2019 % p.a
Discount rate	**1.40**	2.00
Inflation (RPI)	**3.00**	3.05
Inflation (CPI)[1]	**2.60**	2.05
Deferred revaluation: RPI max 5% p.a.	**3.00**	3.05
Pension increases in payment: CPI max 5% p.a.	**2.60**	2.10
Pension increases in payment: CPI max 2.5% p.a.	**1.90**	1.65
Pension increases in payment: CPI max 3% p.a.	**2.10**	1.80

Demographic assumptions

Mortality	**Year to 31/12/2020**	Year to 31/12/2019
Base tables	**S3PXA**	S2PXA
Loading on base tables	**107%**	103%
Improvement allowance, for males	**CMI_2019 (1.5%)**	CMI_2018 (1.25%)
Improvement allowance, for females	**CMI_2019 (1.25%)**	CMI_2018 (1.00%)
Smoothing parameter	**7.0**	7.5

[1] The impact of the change in the best estimate RPI-CPI wedge applied when setting the CPI assumption has resulted in a c.£13m increase to the defined benefit obligation.

(l) Defined contribution scheme

Save the Children UK also contributes to a defined contribution scheme. The cost of this is included within salary costs as shown in note 8 and is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates. Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2020 £000	Year to 31/12/2019 £000
Pension contributions	**2,154**	2,524

	At 31/12/2020 £000	At 31/12/2019 £000
Outstanding pension contributions	**324**	1

These are included within creditors in note 17a.

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25. PENSION COSTS (CONTINUED)

(m) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements – a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees.

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2020 by a professionally-qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 81%.

The triennial valuation at 30 September 2020 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £1.3 million.

The actuary advises that the deficit in the scheme, on an FRS102 basis, is £0.5 million (2019: £0.6 million). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers.

Save the Children UK started to make deficit contributions in April 2013. In 2020 Save the Children UK paid £119,000 (2019: £124,000). Contributions from April 2019 are £123,000 and increase annually by an inflation factor; it is estimated that this should reduce the potential debt to zero by September 2025. Under FRS 102, Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

Net movement in the pension liability	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Provision at the start of the period	**625**	1,033
Unwinding of the discount factor (interest expense)	**6**	17
Deficit contribution paid	**(119)**	(124)
Remeasurements – impact of any change in assumptions	**–**	(301)
Remeasurements – amendments to the contribution schedule	**9**	–
Provision at the end of the year	**521**	625

Amounts recognised in the statement of financial activities	**Year to 31/12/2020 £000**	Year to 31/12/2019 £000
Interest expense	**6**	17
Remeasurements – impact of any change in assumptions	**–**	(301)
Remeasurements – amendments to the contribution schedule	**9**	–
	15	(284)

Financial assumptions	**Year to 31/12/2020 % p.a**	Year to 31/12/2019 % p.a
Rate of discount	**0.27**	1.13

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26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted funds £000	All restricted and endowment funds £000	**Total funds year to 31/12/2020 £000**	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2019 £000
Income and endowments from:						
Donations and legacies	63,773	24,113	**87,886**	75,089	13,871	88,960
Charitable activities	–	180,467	**180,467**	–	199,244	199,244
Other trading activities	6,285	–	**6,285**	12,782	–	12,782
Investments	760	–	**760**	1,060	8	1,068
Other	3,564	108	**3,672**	2,653	1,106	3,759
Total income	74,382	204,688	**279,070**	91,584	214,229	305,813
Expenditure on:						
Raising funds	27,323	758	**28,081**	34,721	534	35,255
Charitable activities						
Nutrition	2,501	17,563	**20,064**	3,018	19,120	22,138
Livelihoods	4,594	33,010	**37,604**	3,981	25,092	29,073
Health	5,757	36,496	**42,253**	5,375	31,834	37,209
Protection and rights	1,237	9,913	**11,150**	2,459	14,029	16,488
Education	6,533	37,121	**43,654**	7,227	36,453	43,680
Rapid onset emergencies	12,903	64,031	**76,934**	20,119	83,901	104,020
Advocacy and awareness	7,837	3,459	**11,296**	12,424	3,961	16,385
Total charitable activities	41,362	201,593	**242,955**	54,603	214,390	268,993
Other	2,460	2	**2,462**	2,294	3	2,297
Total expenditure	71,145	202,353	**273,498**	91,618	214,927	306,545
Net gains on investments	795	203	**998**	3,067	625	3,692
Net income/(expenditure)	4,032	2,538	**6,570**	3,033	(73)	2,960
Transfers between funds	(132)	132	**–**	3,292	(3,292)	–
Actuarial (losses)/gains on defined benefit pension scheme	(5,829)	–	**(5,829)**	4,795	–	4,795
Net movement in funds	(1,929)	2,670	**741**	11,120	(3,365)	7,755
Fund balances brought forward	41,291	13,285	**54,576**	30,171	16,650	46,821
Fund balances carried forward	**39,362**	**15,955**	**55,317**	**41,291**	**13,285**	**54,576**

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27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Foreign Commonwealth & Development Office (formerly the Department for International Development) in the year ended 31 December 2020

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	2,505
Bangladesh Country Office	COVID-19 Preparedness and response for vulnerable populations	1,714
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	7,873
DRC Country Office	Girl's Education Challenge Transition	5,016
DRC Country Office	UK Aid Match Round 4	(50)
Ethiopia Country Office	Programme Addressing Unsafe Irregular Migration 2019	779
Lebanon Country Office	Community-Based Alternatives for Strengthening Education	15
Mozambique Country Office	Linking Agribusiness and Nutrition	935
Mozambique Country Office	Programme for Advancement of Girls' Education	2,993
Multi-country	Safer Schools Project 2017	240
Multi-country	UK Aid Match: Addressing the Education and Protection Needs of Syrian Refugee Children in Jordan and Lebanon	(82)
Multi-country	WASH Track 3 Intervention & rehabilitation of water resources	232
Myanmar Country Office	COVID Response – HARP Facility	275
Myanmar Country Office	MMR Supporting children in the first '1000' days of life and beyond, to reduce child mortality and stunting in high burden states and regions of Myanmar	(3)
Nepal and Bhutan Country Office	COVID-19 UK NERF COVID response 2020	1,135
Nigeria Country Office	Child Development Grant Programme (CDGP), Northern Nigeria	1,552
Nigeria Country Office	NGA Women 4 Health – Extension	16
Nigeria Country Office	Women for Health Initiative	4
Nigeria Country Office	Working to Improve Newborn and Child Nutrition in Northern Nigeria	(127)
Sierra Leone Country Office	Freetown WASH Consortium (FWC) 3b	(23)
Somalia Country Office	Community Health and Nutrition through Local Governance and Empowerment (CHANGE) programme	978
Somalia Country Office	Increasing Women's Participation in Decision Making & Challenging Social Norms (SNaP)	1,474
Somalia Country Office	Somalia Humanitarian and Resilience Programme (SHARP) Phase II	2,636
South Sudan Country Office	Health Pooled Fund – Torit County	11
South Sudan Country Office	HPF II April_Sept 2016 Kapoeta	3
South Sudan Country Office	SSD_HPF 2_Kapoeta	(7)
START Network	DEPP Innovation Programme – Start Network	(4)
START Network	Migration Emergency Response Fund Phase 2	620
START Network	Start Fund Model Bangladesh – Phase 2	4,034
START Network	Start Fund 2018–2021	13,921
Tanzania Country Office	Covid-19 response Zanzibar	225
Uganda Country Office	RIL_ULEARN_2019	1,245
United Kingdom	Community-Led Innovation Programme (CLIP)	846
United Kingdom	Elrha Humanitarian Innovation Funds (HIF) Phase 2	3,326
United Kingdom	Elrha Humanitarian Innovation Funds (HIF) Phase 3	71
United Kingdom	Global Prioritisation Exercise (GPE)	19
United Kingdom	R2HC Phase 2 Research for Health in Humanitarian Crisis	(39)
United Kingdom	R2HC Phase 3 Research for Health in Humanitarian Crisis	1,650
United Kingdom	R2HC Phase 4 Research for Health in Humanitarian Crisis	488
United Kingdom	START Network Crisis and Disaster Risk Financing 2019	361
United Kingdom	SUN CSN Support 2018–2020	220
United Kingdom	UK Humanitarian Innovation Hub – FCDO	53
Yemen Country Office	Multisector Humanitarian Response Programme Extension	2,842
Yemen Country Office	Yemen Multisector Response Programme	834
		60,806

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27. INCOME FROM UK AND IRISH GOVERNMENTS (CONTINUED)

(b) Income from the UK Department of Health in the year ended 31 December 2020

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 3	1,488
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	564
		2,052
Total UK central government income		**62,858**

(c) Income from the Irish government in the year ended 31 December 2020

Countries supported	Project	£000
Ethiopia Country Office	Eth Irish Aid Gender Equality	10
Ethiopia Country Office	ETH Irish Aid Support for ECSC-SUN	2
Ethiopia Country Office	Eth_ECSC-SUN follow on 2019	161
Ethiopia Country Office	Ethiopian Civil Society Coalition for Scaling up Nutrition	3
Malawi Country Office	Malawi Vulnerability Assessment Committee Cash Consortium	4
Malawi Country Office	Pathways to resilience (P4R)_2019–2020	695
Sierra Leone Country Office	SLE Genda Bizness	580
START Network	Irish Aid Start Funding 2019–2020	361
United Kingdom	Irish Aid Start Funding 2020–2021	1,074
United Kingdom	SUN CSN Support 2018–2020	188
United Kingdom	UKH Nutrition TRRT 2019–2020 IMC/Irish Aid	32
Zambia Country Office	Irish Embassy School Feeding 2020	181
		3,291

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.

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Save the Children exists to help every child reach their full potential.

In more than 100 countries including the UK, we help children stay safe, healthy and keep learning. We lead the way on tackling big problems like pneumonia, hunger and protecting children in war, while making sure each child's unique needs are cared for. We find new ways to reach children who need us most, no matter where they're growing up.

For over a century, we've stood up for children and made sure their voices are heard. We wrote the treaty that sets out the rights of every child, and we've been upholding them every day since.

We know we can't do this alone. Together with children, supporters and partners, we work to help every child become who they want to be.

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