

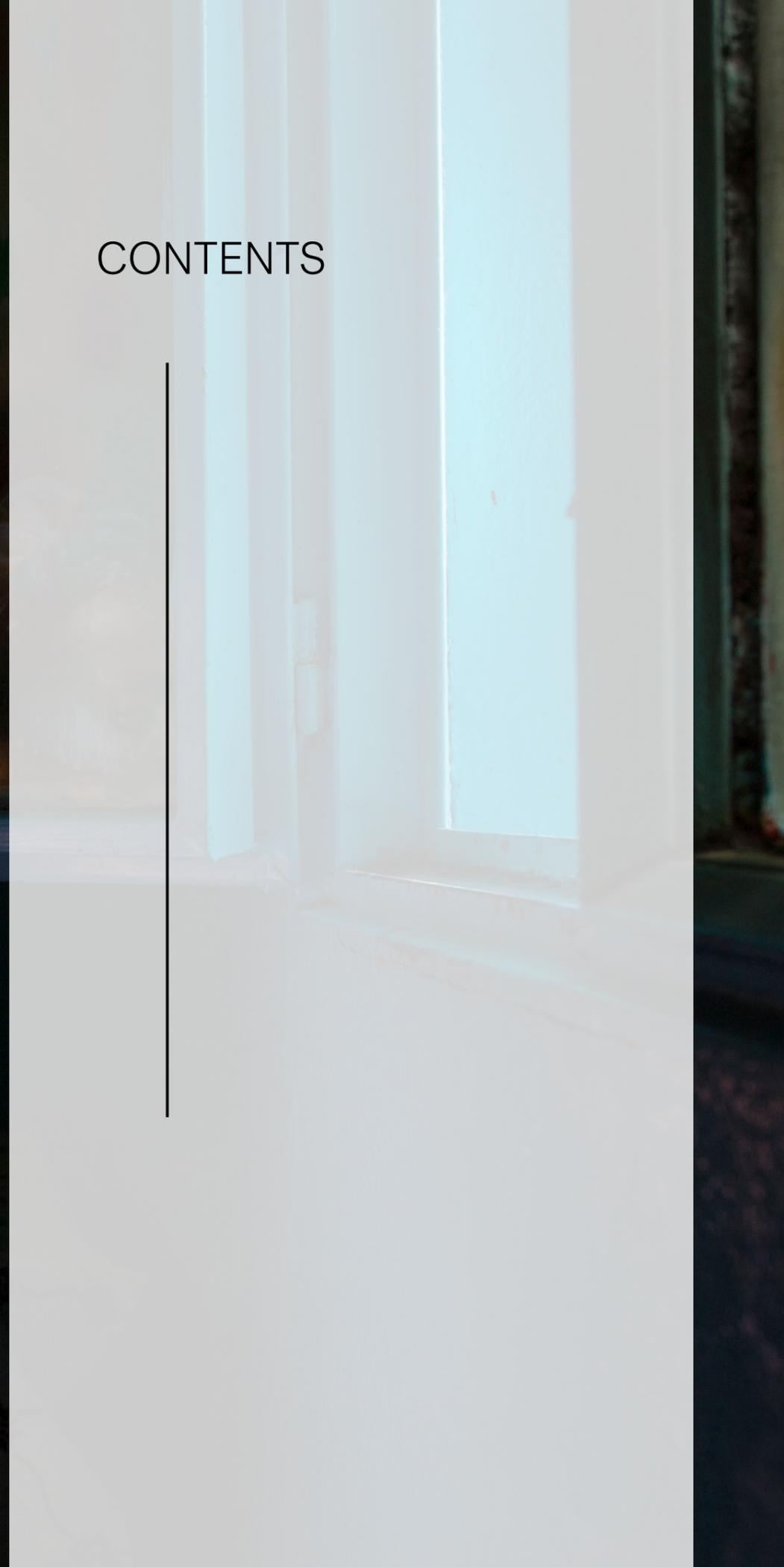
2019 ANNUAL REPORT



SOS CHILDREN'S
VILLAGES
UNITED KINGDOM



CONTENTS



Year in review 2019

The mission of SOS Children's Villages UK - to build families for children in need, to help them shape their own future and to share in the development of their communities - has never been more important.

In 2019, with livelihoods in many countries already under pressure, families and children also faced natural disasters such as Cyclone Idai in Mozambique, ongoing conflict in Syria, and a migration crisis in Venezuela, to name but a few examples. As a Global Federation of 140 local SOS Children's Villages Associations we already work in 136 countries and territories, providing support through the local communities, so are uniquely placed to provide additional help in these difficult situations, to the families and children most in need.

In 2019, money from UK donors went towards communities in 109 countries worldwide through our child and village sponsorship programme, other public donations, fundraising through community groups, charitable grants from trusts and foundations and voluntary income from corporate partnerships. This support ranged from ensuring individual children in Pakistan could grow up in a safe, loving and secure family environment, to offering business skills training to parents in Sri Lanka so they could provide for their families. We even launched a Youth Employment Training centre in The Gambia so that young people could get the vocational skills they need to set up their own businesses and work towards a more secure future.

The team at SOS Children's Villages UK were also laying the foundations for our future growth in 2019 against a backdrop of Brexit uncertainty and a highly competitive funding environment. We took time to get to know our donors, strengthening relationships with them and listening to what they felt made SOS Children's Villages so special to them. We visited some of the villages and other projects to see for ourselves the systemic changes in these communities, which the generous support of our donors helps to make happen. We formed strong partnerships with our sister organisations overseas and worked with them to develop more sustainable projects with associated monitoring and high-quality reporting. We met some truly inspirational staff, volunteers and former SOS children who are now completing the virtuous cycle by giving back to those same communities where, as children, they felt safe, loved and supported and could thrive.



At an international level, the Federation of SOS Children's Villages is part of a coalition that was instrumental in the adoption of a new UN Resolution on the Rights of the Child, focused on children without parental care. Amongst other things, the Resolution underscores that children without parental care are more likely to face human rights violations than their peers, are entitled to special protection and assistance, and that a range of alternative care options should be available to meet their needs and best interests.

How the coronavirus pandemic has affected our work

Looking forward to 2020, the COVID-19 global pandemic has laid bare the challenges we face in protecting and promoting the wellbeing of children, young people, their families and communities, especially those living in the most vulnerable conditions around the world.

Families that were already under pressure are at greater risk of breaking down due to the increased risk of child abuse and violence that lockdown poses, the additional burden on families unable to make a living, and the absence or loss of primary caregivers. In these situations, even more families are likely to fall into hardship.

Measures to contain COVID-19 have a huge impact on daily routines, especially the ability of families to maintain a regular income, which can increase anxiety and distress in both parents and children. In many cases, children will see family members become seriously ill or even die from the virus.

For the children and young people in SOS's care, their education has been disrupted. Many simply will not have access to a laptop or tablet, which means they can't take part in online learning. Being left out of education or vocational training for an extended period will have a devastating impact on their future chances of finding work.

In April 2020, SOS Children's Villages UK launched its largest emergency appeal in recent years to ensure those hardest hit by the global pandemic could get the support they need. Immediate requirements included protective health care equipment and infection control measures, food provision, pedagogical and ICT support for home-schooling and emergency help for former SOS youth who were living independently before the crisis. We have also been working with our overseas partners to understand how the virus will impact the villages and projects already running. Schools and education centres have had to close their doors, but of course families don't close. During the crisis, SOS Children's Villages will continue to support families in need to stay afloat and enable them to keep their children safe. We will also expand our reach to accommodate the expected increase in the number of struggling families and children from the wider communities around our programmes.



The actions we take today will help as this crisis unfolds and will equip children, young people and their families with the necessary resilience to get back on track once the pandemic is over.

Many of our supporters are also experiencing difficulties and will have their own worries about their health and finances. We therefore feel very grateful to have received so many understanding and reassuring messages from both new and long-standing donors commending us for the good work we are doing and pledging their continued support. Where donors' circumstances have changed, we are working with them to offer donation breaks to enable our sponsors, in particular, to retain their unique link with their sponsored child or village. We have continued to work with both funding and implementing partners using online meeting platforms and early indications are that the impact on our income in 2020 will be manageable, meaning our commitments to our beneficiaries and programmes can continue.

We are a small team in the UK, which has given us some flexibility in responding to the pandemic. We have been able to mitigate the impact on our own sustainability because of a pre-planned office move to more cost-effective premises with all staff working from home in the short-term. One of our strategic aims is to be a more agile and high-performing workforce and these steps will allow us to attract and retain high-quality staff in the future as the world changes following this sustained period of home-working for all. Alongside this, we will make some targeted investments in our IT systems to better support remote working while ensuring high standards of donor care and data protection. The social distancing restrictions have also given us the opportunity to evaluate some of our other working practices and some natural cost-saving opportunities have arisen in the areas of programme monitoring visits, training and other running costs.

Child Safeguarding

High standards of safeguarding are fundamental to our ability to support children to grow up feeling safe, loved and supported.

In 2019, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. In addition, we continue to promote our requirement that programme visitors, such as child sponsors, undertake a suitable background check and briefing prior to visiting a programme location.

Two safeguarding incidents were reported to us by the International Federation, relating to a programme funded by SOS Children's Villages UK in The Gambia and employees of SOS The Gambia. Investigations have been carried out with the result that one person was removed from their post to undertake re-training and a second was dismissed. These incidents have been reported to the Charity Commission.

In 2019 more than 65,000 children were in the direct care of one of our sister SOS organisations and more than a million were taking part in programmes delivered outside our village communities. Many of the children and young people in these programmes have faced traumatic family environments and are therefore particularly vulnerable.

The latest SOS Children's Villages International annual report on safeguarding can be found here:



Achievement of Objective

We set ourselves the objective for 2019 of investing in our fundraising for future income sustainability while keeping the ongoing spend on non-charitable activities at or below the level of that in 2018.

We narrowly exceeded this in absolute terms, however in percentage terms our non-charitable activities formed a higher proportion of our total expenditure than in 2018. This is because expenditure on charitable activities reduced following the end of our ten-year strategic partnership with HSBC, whereas non-charitable expenditure remained broadly the same.

FUTURE PLANS AND OBJECTIVES FOR 2020

We have set the following objectives for 2020:

- to respond to the immediate COVID-19 pandemic related needs of children, families and communities in our programmes, including the children and their families in the Chipata and Basse village locations by allocating at least £250,000 of funds to the global SOS Children's Villages appeal
- to support the post pandemic recovery and resilience of more children and their families through family strengthening programmes, education and employability programmes and livelihoods programmes, reaching more people than in 2019
- advocate for funding and resources for education and employability training for young people as part of COVID-19 recovery and the UK's support for the Sustainable Development Goals with the aim of securing a funding commitment from the UK government
- to invest in our fundraising strategy and systems which mean we can secure the necessary resources to flexibly meet the needs of our partner organisations and children without parental care or at risk of losing it with the aim of increasing our unrestricted income to 40% of our total income.



Thank You All

We thank all our supporters and partners, including those who wish to remain anonymous, for their generosity and commitment to our programmes. All donations, large and small, help us make a difference to the lives of those who we support.

ADVANZ PHARMA	InterContinental Hotels Group
Air Transat / Canadian Affair	Lines and Current
Cavendish Legal Group	Milton Damerel Trust
City Football Group	MKB Law
Customer Experience Group	Moss & Coleman
DeMellier	Radisson Hotel Group
DKLM Solicitors	Subsea7
Eliza Shepherd Charitable Trust	The Allan & Nesta Ferguson Charitable Trust
From Babies With Love	The Erpios Trust
Henocq Law Trust	The PD Foundation
HSBC	The UK Pakistan Supporters Group

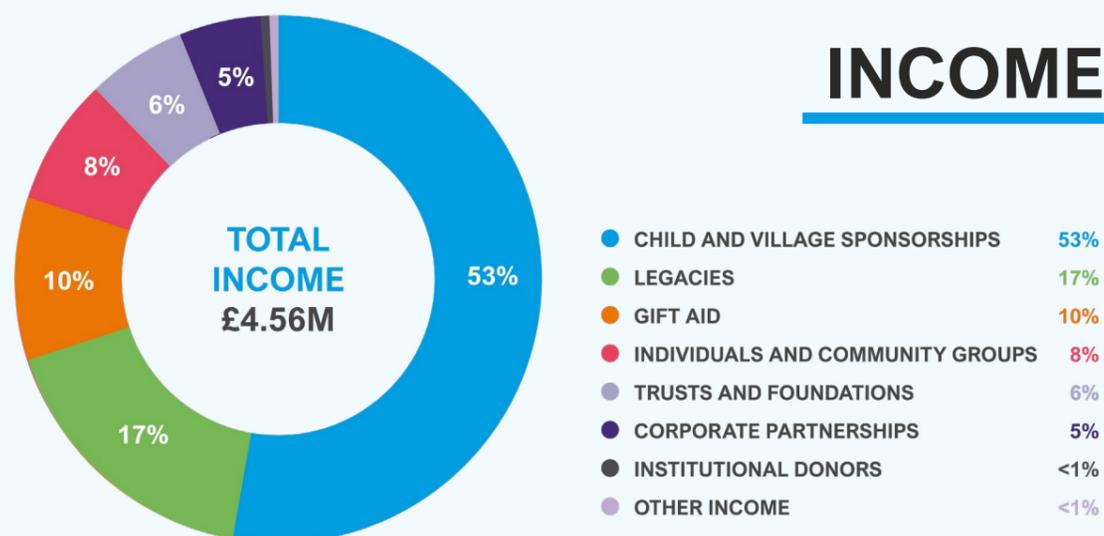
A warm thank you also to those who have helped raise awareness of our work and who have fundraised by taking part in sports challenges, school quizzes, bake sales and in so many other ways. We are deeply grateful and hugely inspired by your phenomenal efforts!

In 2019, we also received support from those who kindly remembered us in their Will. Through their foresight and commitment to our programmes their legacy continues to make a lasting impact to the lives of children.

Thank you, all, for your kind support.



Financial Performance



We raised £4.56m in charitable income in 2019, through a combination of grant funding, corporate partnerships, legacies and donations from individual donors. The greatest portion – over 78% – of our funding came from the UK public.

Their generous contributions, including child and village sponsorships, legacies, other individual donations and community fundraising, have enabled us to remain financially resilient as we invest in the future stability of the charity and increase our reach and impact. Our income was £1.09m less than in 2018 (£5.65m), primarily as a result of receiving the final instalment of our 10-year partnership with HSBC in 2018 and it taking time to build long-term, strategic partnerships of this scale with donors to replace such a large grant.

HOW WE RAISE MONEY

We are registered with the Fundraising Regulator and a member of the Institute of Fundraising and as such abide by the Code of Fundraising Practice. In line with this we strive to build the best possible relationships with our donors, supporters, grant making organisations and corporate partners, aiming for accountability and transparency in all that we do. Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with new or amended legislation, such as the work we continued to undertake following the launch of the General Data Protection Regulation (GDPR), which came into effect in May 2018.

In 2019, we have worked hard to ensure good dialogue and clear lines of communication with our donors. This has included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators.

When supporting individual fundraisers, we ensure they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. We regularly monitor and review activities undertaken in support of SOS Children's Villages UK, through supporter feedback, tracking online activity, prompt follow-up after events have taken place and ongoing dialogue. All fundraising staff receive detailed training in how to identify and protect people in vulnerable circumstances. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

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

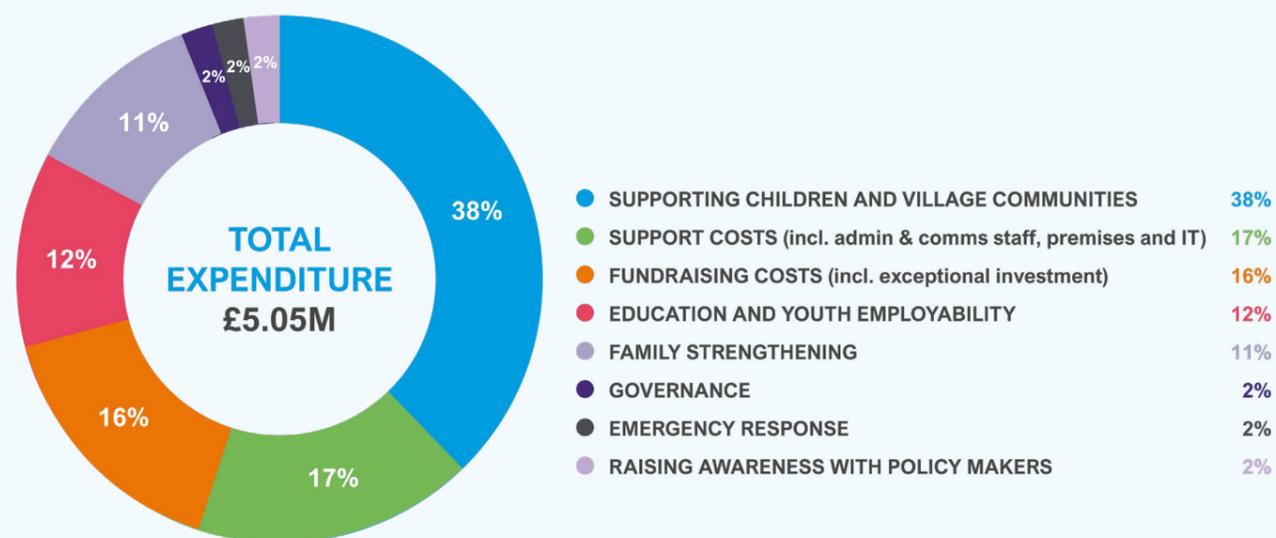
In 2019, our Board signed off on a new Ethical Partnership Policy, which sets out the criteria determining whether we can accept donations. As part of the implementation process of this policy, we ended our relationship with two corporate partners as they did not meet these criteria. Further information can be found on our website:

We received 65 complaints in 2019, an increase from 28 in 2018. The great majority of these related to the quality of the content child sponsors received directly from our sister organisations in relation to individual sponsored children. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

Following the outbreak of the Covid-19 pandemic and subsequent lockdown in the UK, we carefully examined the impact the global crisis is likely to have on our fundraising activities and charitable income. We are not currently engaged in public facing fundraising activities such as Face-to-Face or Door-to-Door, however we are foreseeing a decrease in our income as individual donors experience the effects of the pandemic on their personal lives and disposable income; we also expect donations from some of our corporate partners to decrease, as they experience a challenging time. As part of our three-year strategy we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this is likely to strengthen our resilience in the face of the evolving situation. We have been overwhelmed with the understanding and reassuring messages received from our supporters, many of whom have renewed their commitment to our work during the crisis, as shown in the donations received in response to our emergency appeal, launched in April 2020 in aid of SOS programmes that now face additional needs.

If you have any questions about any aspect of our fundraising, please get in touch with Susanne Owers, Director of Fundraising, at susanne.owers@sosuk.org

EXPENDITURE



Our expenditure in 2019 was £5.05m, a reduction of £1.18m compared to £6.23m in 2018. The largest proportion of our expenditure supported children as part of the village communities.

However, in line with SOS Children's Villages 2030 strategy, which increasingly focuses on the prevention of situations in which children are at risk of losing parental care and the provision of long-term, sustainable solutions, we are working towards increasing our collaboration in family strengthening programmes and youth employability, while supporting children at risk through disasters and emergencies.

The ongoing cost of raising funds increased by 1.4 % in line with inflation. However, there was an exceptional investment of £339k in our fundraising strategy.

SOS Children's Villages recognised the need to expand its offer beyond child sponsorship to appeal to new audiences with differentiated propositions, with a focus on finding a new unrestricted regular giving product. In 2019 we launched a large-scale project to increase SOS UK's unrestricted income, as well as raising our UK brand profile and developing a clear articulation of the work we do and how we make a difference to children and families around the world. We knew this work would require investment using our reserves to achieve our ambitious income targets. We have adopted a phased approach, initially focusing on defining our target audiences and proposition development, then testing this and ensuring our assumptions were validated, while ensuring our narrative was authentic and supported by those who deliver and benefit from our programmes.

These steps have informed and shaped the test campaign phase (delivered in the first half of 2020), which focuses on widening the support from individual donors through a new, lower cost, unrestricted proposition.

Using widely-available industry information on recruitment and attrition levels, we anticipated the test campaign proposition testing would return an increase to our unrestricted income of £232k by the end of 2021. It would also give us valuable data to support our proposal to one of our fellow SOS Children's Village Federation members to invest in our longer-term strategy to increase our income over the next three years. However, once the full impact of the COVID-19 was known we felt that in the short-term this was not an appropriate nor viable time to be trialling a new proposition and we temporarily put the test on hold. We are hoping to resume towards the end of 2020 but it is not possible at this stage to estimate a revised return as it will depend on future fundraising conditions.

RESERVES

SOS Children's Villages UK experiences fluctuations in our income stream under normal circumstances, and these have the potential to be more volatile at present. We therefore need to maintain a level of reserves so that we can continue operations in the event of a large shortfall in voluntary income. Equally, we need to be able to take advantage of opportunities to invest in growing our income through new means, such as launching a COVID-19 focused appeal to be able to help more children to feel safe, secure and loved in the longer-term. The Trustees have therefore determined that unrestricted reserves to the equivalent of 9-12 months' running costs should continue to be retained. In 2019 this equated to £1.65m - £2.2m, and as at 31 December 2019, this stood at £2.01m, equivalent to approximately 11 months' running costs. Following the office move to more cost-effective premises and an anticipated reduction in our contributions to the SOS Federation Secretariat in 2021, the same level of reserves will equate to a reduced amount of £1.5m - £1.95m. Our forecast unrestricted reserves position for the end of 2020 as at 31 May 2020, based on the most up-to-date information at the time, is approximately £1.62m.

During 2018, two designated funds were created, at the discretion of the Trustees, to support the proposed investment in our fundraising strategy in 2019, and as a provision for potential foreign exchange loss. A small balance remains on the fund for investment in our fundraising strategy due to delays in launching the testing phase. The provision for potential foreign exchange loss has been maintained at 5% of the annual value of our international transfers.

INVESTMENTS

Investments are managed in accordance with the charity's investment policy which is overseen by the Audit and Risk Committee. Investment managers have been instructed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

The charity initiated its first investments with M&G investments Limited in 2016. In 2019, the total market value of the investments increased by 18.5%. However, in the first quarter

of 2020 the global stock markets reacted to the COVID-19 pandemic with volatility and large drops in the value of investments. The value of the charity's investments has also reduced during this period as a result. The Charibond units were protected from this as they are predominantly comprised of government and corporate bonds. The Equities Investment Fund for Charities (Charifund) is made up of stock market investments, including some heavily impacted industries, and the value of these dropped significantly. As at the end of June 2020, the total value of investments held by SOS Children's UK was £1,013,540.

As at 31 December 2019 the charity had invested 79.3% of its funds in Charifund and 20.7% in Charibond units. As at 31 May 2020, these proportions had changed to 74.7% and 25.3%. The distribution and published yields as at 31 December 2019 were 2.26% and 5.01% for Charibond and Charifund, respectively. As at 31 December 2018, the proportions invested in Charifund and Charibond units were 76.4% and 23.6%, respectively, with published yields of 5.53% and 2.29%.

Fixed assets comprise fixtures and fittings, and IT systems and office equipment.

RISK MANAGEMENT & INTERNAL CONTROLS

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

As part of their audit of the financial statements, the charity's Auditors review the internal controls. SOS Children's Villages UK does not have dedicated internal auditors.

The charity has risk management policies and procedures through which risks arising from the existing operations and strategic developments are identified and evaluated. The Senior Management Team identify and analyse risks relevant to their scope of activities, assess them according to the impact on the charity and their likelihood of occurrence and report on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

Significant risks are highlighted for consideration and monitoring by the Audit and Risk Committee and reported to the Board of Trustees. All major risks to which SOS Children's Villages UK is exposed, which have been identified by these procedures, have been reviewed and updated, particularly in light of the COVID-19 crisis.

On the following page, there is a list of five major risks the Trustees have identified and the mitigating strategies in place:

Risk	Mitigation strategy
Reduction in income due to global pandemic	<ul style="list-style-type: none"> Cash flow and income models produced for a variety of scenarios Regular communication with donors to keep them informed about and connected to their sponsored children and/or projects Emergency appeal launched Opportunities to reduce operating costs identified Moved to smaller and less expensive registered office.
Failure to meet income targets	<ul style="list-style-type: none"> Monthly management account reporting to SMT to identify challenges and take mitigating actions Ongoing cash flow monitoring Quarterly reporting to the Board of Trustees, including income and reserves projections Investment in fundraising strategy to grow charitable income and spread risk and return across donor segments Reserves policy in place.
Short term changes to programming and priorities within the Federation impacting on funding relationships	<ul style="list-style-type: none"> Establish and maintain good working relationships with Federation Regional offices Establish and maintain good working relationships with National Association Directors and Project Managers Contribute to Federation discussions on programming and priorities Keep donors informed.
Breach of legal and compliance obligations	<ul style="list-style-type: none"> Strong control procedures in place for approving financial transactions, GDPR, Health and Safety Annual external audit Regular Audit and Risk Committee meetings reporting to the Board of Trustees Expert staff in post, subject to regular review GDPR and Child Safeguarding focal point on the Board Legal advisers in place.
Child or vulnerable person safeguarding incident	<ul style="list-style-type: none"> Child and Vulnerable People Safeguarding Policy in place and implemented Safeguarding Focal Point on the Board Staff and Trustee training.

EMPLOYEES & VOLUNTEERS

Information about our aims, activities and other relevant information is disseminated to all staff and volunteers through briefings, meetings and written documents. The charity consults with all staff on key issues through regular team meetings and planning sessions.

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

We will continue to support flexible working wherever possible and we will make further investments in IT to support this.

Appropriate arrangements have been made for the recruitment, continued employment and training, career development and promotion of people with disabilities employed by the charity. Should any staff become disabled, every effort is made to continue their employment and, where necessary, to provide reasonable adjustments and support.

There is a pension scheme available to employees.

CHARITABLE OBJECTS

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

SOS Children's Villages UK supports 4,886 children and 280 villages in which children without parental care live through a sponsorship programme, which is funded by 8,687 supporters. In these village communities children receive the loving care of a permanent carer within a family like environment with other children. They have access to quality education from kindergarten to secondary level in schools that are also open to the local community, thereby ensuring integration with their peers. Healthcare needs are either met within the village or are accessed by carers on their behalf within the community, where village facilities do not exist.

We have a relationship with villages in Basse in The Gambia, and Chipata in Zambia where we have committed to supporting the outcomes for children in those locations over the long term.

By growing up in our village communities where they are able to feel safe, loved and supported, children build their own strength and resilience and go on to support their own loving family in the future. In turn, this creates more sustainable and resilient communities in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. We support the development of two members, SOS The Gambia and SOS Zambia through our fundraising for programme activities they deliver and we build their capacity for programme delivery and monitoring.

Membership of the Federation binds us to common standards of conduct, child safeguarding, transparency and governance. These are further enhanced by us to ensure compliance with our regulatory requirements and best practice.

BOARD OF TRUSTEES

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

SOS Children's Villages UK is governed by a Board of Trustees, made up currently of nine members, who are legally responsible for directing the affairs of the charity. Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. Trustees are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background.

The Board of Trustees meets at least four times each year to review and direct SOS Children's Villages UK strategy, budget and performance. The Board of Trustees delegates day-to-day management of the charity through the Chief Executive to the Senior Management Team (SMT). The Board of Trustees also delegates specific responsibilities to a sub-committee:

- the Audit and Risk Committee meets at least four times a year to review the charity's annual financial statements, internal financial control and risk management systems and external and internal audit matters.

The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. In 2019 the Board undertook a review of its effectiveness

using the Code as the basis for evaluation. The outcome was a commitment to expand the skill set and expertise of the Board to better support the organisation's strategy for sustainability. In 2020 two new Trustees will be appointed bringing programme development and governance experience, respectively.

PUBLIC BENEFIT

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit which addresses the need for all charities' aims to be, demonstrably, for the public benefit.

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

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity. In preparing the financial statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate
- observe the methods and principles in the Charity SORP 2019 (FRS102).

The Trustees are responsible for keeping adequate accounting records. These

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

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

Pay and remuneration of the Chief Executive Officer is set by the Board of Trustees and reviewed annually following a performance appraisal. Terms and benefits are set with reference to average pay in the sector and competencies required of the role.

Remuneration for the Senior Management Team is set by the Chief Executive Officer, in consultation with the Board of Trustees.

POLICIES AND PROCEDURES FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

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

PRESIDENT

Dame Mary Richardson DBE

TRUSTEES

Mary Cockcroft, Chair

Earl of St Andrews, George Philip
Nicholas Windsor, retired 26 June 2020

Michael Brewer

Graham Budd

Ayesha Khan, resigned 11 April 2019

Matthew de Villiers

Don Haszczyń

Nicola Robert

Ian Briggs

Solava Ibrahim, appointed 8 July 2020

Susie Hargreaves, appointed 8 July 2020

CHIEF EXECUTIVE OFFICER

Alison Wallace

SENIOR MANAGEMENT TEAM

Susanne Owers, Director of Fundraising

Clare Jenkins, Director of Finance and IT

Catherine Weston, Director of
Communications and Brand

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

The Trustees' Report was approved on behalf of the Board of Trustees



Mary Cockcroft

Chair of Trustees SOS Children's Villages UK
8 July 2020

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Price Bailey were appointed as auditors during the year. The Board recommend to the AGM that Price Bailey LLP should continue to be engaged as auditors for the forthcoming financial year.

Company Registered No. 03346676
Charity Registered No. 1069204

ORGANISATIONAL DETAILS

Registered office:

Ravenscroft House
59-61 Regent Street
Cambridge
CB2 1AB

Independent auditors:

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Principal Bankers:

Barclays Bank Plc
28 Chesterton Road
Cambridge
CB4 3AZ

Solicitors:

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOS CHILDREN'S VILLAGES UK (A COMPANY LIMITED BY GUARANTEE)

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF THIS REPORT

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



**Helena Wilkinson BSc FCA DChA
(Senior Statutory Auditor)**

for and on behalf of

PRICE BAILEY LLP

Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 10 September 2020

Financial Statements

STATEMENT OF FINANCIAL ACTIVITIES

(including Income and Expenditure account)

For the year ended 31 December 2019

	Note	Restricted Funds £	Unrestricted Funds £	2019 Total Funds £	2018 Total Funds £
INCOME					
Donations and legacies	2	2,807,701	1,733,201	4,540,902	5,637,551
Other trading activities	3	-	1,067	1,067	887
Investments	4	-	16,000	16,000	12,339
TOTAL INCOME		2,807,701	1,750,268	4,557,969	5,650,777
EXPENDITURE					
Raising funds	5	-	1,413,904	1,413,904	1,059,443
Charitable activities	5	2,738,780	898,568	3,637,348	5,170,952
TOTAL EXPENDITURE		2,738,780	2,312,472	5,051,252	6,230,385
Net gains on investments		-	188,798	188,798	35,449
NET (EXPENDITURE) / INCOME		68,921	(373,406)	(304,485)	(615,057)
Transfers between fund		-	-	-	-
NET MOVEMENT IN FUNDS		68,921	(373,406)	(304,485)	(615,057)
Reconciliation of funds:					
Total funds at 1 January 2019	15	1,268,690	2,527,307	3,795,997	4,411,054
TOTAL FUNDS AT 31 DECEMBER 2019		1,337,611	2,153,901	3,491,512	3,795,997

All activities relate to continuing operations.

The notes on pages 33 to 49 form part of these financial statements.

BALANCE SHEET

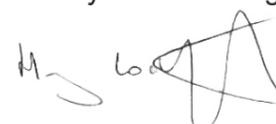
as at 31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	10	9,622	9,091
Investments	11	1,212,563	1,021,455
TOTAL FIXED ASSETS		1,222,185	1,030,546
CURRENT ASSETS			
Debtors	12	1,106,876	774,985
Cash at bank and in hand		2,476,974	4,141,103
TOTAL CURRENT ASSETS		3,583,850	4,916,088
Creditors: amounts falling due within one year	13	(1,314,523)	(2,150,637)
NET CURRENT ASSETS		2,269,327	2,765,451
NET ASSETS		3,491,512	3,795,997
FUNDS OF THE CHARITY:			
Restricted funds	14	1,337,611	1,268,690
Unrestricted funds	14	2,153,901	2,527,307
TOTAL FUNDS		3,491,512	3,795,997

The attached notes on pages 33 to 49 form part of these financial statements.

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

The financial statements were approved and authorised for issue by the Board of Trustees on 8 July 2020 and signed on their behalf by:



Mary Cockcroft

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash Flows from Operating Activities			
Net cash used in operating activities	16	(1,675,388)	(657,986)
Cash Flows from Investing Activities			
Proceeds from the sale of investment property		-	143,288
Dividends, interest and rents from investments		16,000	12,339
Purchase of property, plant and equipment		(4,741)	(3,391)
Net cash provided by investing activities		11,259	152,236
Change in cash and cash equivalents in the year		(1,664,129)	(505,750)
Cash and cash equivalents brought forward		4,141,103	4,646,853
Cash and cash equivalents carried forward		2,476,974	4,141,103

The attached notes on pages 33 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. Accounting policies

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

1.1 Basis of preparation, consolidation and restatement of prior year

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 19. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

1.2 Company status

The company is a company limited by guarantee. There are 8 members of the

company being the Trustees named on page 24. The registered office address is also shown on page 24.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income is allocated to the appropriate fund.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a

1. Accounting policies

(continued)

distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The value of services donated are included at a value equivalent to that which the charity would ordinarily incur on these services. The value of these in 2019 was £1,188.

Donated assets are capitalised at a value equivalent to market value at the date of donation. The value of these in 2019 was £2,310.

Interest earned and income tax recoverable on these funds are treated as unrestricted income unless otherwise specified by the donor. Grants are included as incoming resources when these are received. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including

support costs and governance costs are allocated to the applicable expenditure headings.

Direct charitable expenditure includes sponsorship income which is remitted to SOS Kinderdorf International in Austria in equal monthly instalments.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Support costs are allocated between raising funds and charitable activities based upon staff time.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation; Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings: 20% reducing balance

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.8 Operating leases

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

1.9 Interest receivable

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

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Creditors and provisions

Creditors and provisions are recognised

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

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.15 Financial Instruments

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

1.16 Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, 2020, and the impact of COVID-19, in particular, significant scenario analysis and cashflow forecasting covering not only 2020 but also the first half of 2021 has been undertaken and whilst it is anticipated that income is likely to reduce, additional mitigation measures have been introduced to minimise the effect on the longer-term solvency of the Charity.

2. Income from donations and legacies - Current Year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Gifts and donations	2,361,712	922,387	3,284,099
Legacies	440,622	338,885	779,507
Income tax recoverable	5,367	471,929	477,296
Total donations and legacies	2,807,701	1,733,201	4,540,902

Income from donations and legacies - Prior Year

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Gifts and donations	3,743,293	991,992	4,735,285
Legacies	34,872	335,763	370,635
Grants receivable	47,733	-	47,733
Income tax recoverable	5,501	478,397	483,898
Total donations and legacies	3,831,399	1,806,152	5,637,551

3. Fundraising income

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Supporters group	-	1,067	1,067	887

In 2018, of the total fundraising income, £887 was income from unrestricted funds and £NIL was income from restricted funds.

4. Investment income

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rent receivable	-	-	-	855
Bank interest receivable	-	15,960	15,960	11,469
Dividends receivable	-	40	40	15
Total	-	16,000	16,000	12,339

In 2018, of the total investment income, £5,229 was income from unrestricted funds and £NIL was income from restricted funds.

5. Analysis of Expenditure - Current Year

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £
Raising funds:			
Costs of raising donations income	500,562	573,968	1,074,530
Exceptional investment in fundraising strategy	339,374	-	339,374
Charitable activities:			
Supporting children and village communities	1,938,286	288,952	2,227,238
Family strengthening	552,595	82,379	634,974
Education and youth employability	593,630	88,496	682,126
Responding to emergencies	91,149	13,588	104,737
Raising awareness with policy makers	81,010	12,077	93,087
	4,096,606	1,059,460	5,156,066
Exchange gain	-	(104,814)	(104,814)
Total expenditure	4,096,606	954,645	5,051,252

5. (continued) Analysis of Expenditure - Prior Year

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £
Raising funds:			
Costs of raising donations income	680,721	378,712	1,059,433
Charitable activities:			
Supporting children and village communities	2,057,280	139,800	2,197,079
Family strengthening	1,114,765	75,752	1,190,517
Education and youth employability	1,424,250	96,783	1,521,033
Responding to emergencies	447,281	30,394	477,676
Raising awareness with policy makers	107,762	7,323	115,085
	5,832,058	728,765	6,560,822
Exchange gain	-	(330,437)	(330,437)
Total expenditure	5,832,058	398,328	6,230,385

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Raising funds	-	1,059,433	1,059,433
Charitable activities	4,313,311	857,641	5,170,952
Total expenditure	4,313,311	1,917,074	6,230,385

6. Support Costs - Current Year

	Raising funds 2019 £	Charitable activities 2019 £	Total funds 2019 £
Personnel costs	156,620	104,413	261,033
Premises costs	139,839	93,226	233,065
IT & website costs	13,293	8,862	22,155
Other support costs	264,216	176,143	440,359
Governance (note 7)	-	102,848	102,848
Total	573,968	485,492	1,059,460

Support Costs - Prior Year

	Raising funds 2018 £	Charitable activities 2018 £	Total funds 2018 £
Personnel costs	150,926	100,617	251,543
Premises costs	122,694	81,796	204,490
IT & website costs	14,035	9,357	23,392
Other support costs	91,057	60,704	151,761
Governance (note 7)	-	97,578	97,578
Total	378,712	350,052	728,765

7. Governance - Current Year

	Raising funds £	Charitable activities £	Total 2019 £
Audit fees	-	11,130	11,130
Training	-	1,707	1,707
Staff costs in relation to Governance	-	90,011	90,011
Total	-	102,848	102,848

Governance - Prior Year

	Raising funds £	Charitable activities £	Total 2018 £
Audit fees	-	14,410	14,410
Staff costs in relation to Governance	-	83,168	83,168
Total	-	97,578	97,578

8. Net (expenditure) / income

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	4,211	5,830
Auditors' remuneration	11,130	14,410
Auditors' remuneration - non-audit	-	2,220
Operating lease payments for land and building and other equipment	190,777	187,159
Pension	33,153	20,173
Foreign exchange (gain) / loss	(104,814)	(330,437)

During the year, no Trustees received any reimbursement of expenses (2018 - none).

9. Staff costs

	2019 £	2018 £
Wages and salaries	788,266	667,880
Social security costs	81,907	66,601
Other pension costs	33,153	20,173
	903,326	754,654

There are no severance or redundancy to employees included within wages and salaries above. (2018: £0).

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

	2019 £	2018 £
Administrative	24	21

The number of higher paid employees was as follows:

	2019 £	2018 £
In the band £60,000 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Total employers pension contributions in relation to the above higher paid employees was £10,462 (2018: £4,941).

In addition to the Board of Trustees, the key management personnel of the charity are comprised of 4 members of staff (2018: 4) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising and the Director of Brand & Communications. No Trustees received any remuneration or benefits in kind from the charity (2018 - none). The total employee benefits of the key management personnel of the charity were £263,802 (2018 - £272,999).

10. Tangible fixed assets

	Fixtures & fittings £	Total £
COST:		
At 1 January 2019	147,516	147,516
Additions	4,741	4,741
At 31 December 2019	152,257	152,257
DEPRECIATION:		
At 1 January 2019	138,424	138,424
Additions	4,211	4,211
At 31 December 2019	142,635	142,635
Net book value:		
At 31 December 2019	9,622	9,622
At 31 December 2018	9,091	9,091

11. Fixed asset investments

	Listed investments £
Market value:	
At 1 January 2019	1,021,455
Additions	2,310
Unrealised gains on investments	188,798
At 31 December 2019	1,212,563

11. (continued) Fixed asset investments

Comprising of:	2019 £	2018 £
Fixed interest	250,392	240,999
Equities	962,171	780,456
Total market value	1,212,563	1,021,455
Total historical cost of investment	1,000,000	1,000,000

12. Debtors

	2019 £	2018 £
Other debtors	36,324	30,441
Prepayments and accrued income	1,031,808	705,807
Tax recoverable	38,744	38,737
	1,106,876	774,985

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,065	9,227
Other taxation and social security	34,692	34,117
Other creditors	7,255	4,409
Accruals	1,259,511	2,102,834
	1,314,523	2,150,637

14. Statement of funds - Current Year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,977,307	1,750,268	(2,077,912)	104,814	188,798	1,970,275
Fundraising research and Investment	400,000	-	(339,374)	-	-	60,626
FX Reserve	150,000	-	104,814	(104,814)	-	150,000
	2,527,307	1,750,268	(2,312,472)	-	188,798	2,180,901

Statement of funds - Current Year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
RESTRICTED FUNDS						
Philippines	80,451	4,542	(4,542)	-	-	80,451
Zambia	38,293	26,718	(26,425)	-	-	38,586
Gambia - The European Union	-	5,006	(7,400)	2,394	-	-
YEP Project, Basse	-	152,768	(131,157)	19,761	-	41,372
La Paz, Bolivia	-	429,441	-	-	-	429,441
Sponsorship fund	73,203	1,859,710	(1,898,750)	-	-	34,163
Africa - general	668,983	362	(346,377)	-	-	322,968
Other projects <£50k	407,760	329,154	(324,129)	(22,155)	-	390,630
	1,268,690	2,807,701	(2,738,780)	-	-	1,337,611
Total funds	3,795,997	4,557,969	(5,051,252)	-	188,798	3,491,512

14. Statement of funds - Prior Year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	2,590,609	1,819,378	(1,917,074)	(436,869)	(78,737)	1,977,307
Designated Funds: Fundraising reserve	-	-	-	400,000	-	400,000
FX Reserve	-	-	-	150,000	-	150,000
Investment property	100,000	-	-	(143,288)	43,288	-
	2,690,609	1,819,978	(1,917,074)	(30,157)	(35,449)	2,527,307

Statement of funds - Prior Year

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
RESTRICTED FUNDS						
Philippines	80,251	19,401	(19,201)	-	-	80,451
Zambia	120,604	126,369	(208,680)	-	-	38,293
Guinea Bissau - Big Lottery Fund	25,681	47,733	(80,721)	7,307	-	-
Sponsorship fund	73,205	2,027,903	(2,027,905)	-	-	73,203
Africa - general	720,764	127,538	179,319	-	-	668,983
Other projects <£50k	699,940	1,482,454	(1,797,484)	22,850	-	407,760
	1,720,445	3,831,399	(4,313,311)	30,157	-	1,268,690
Total funds	4,411,054	5,650,777	(6,230,385)	-	(35,449)	3,795,997

Each restricted fund has arisen in line with specific restrictions placed by the donor. The majority of restricted funds relate to specific SOS Villages and Projects overseas, such that funds are only used in connection with the donors' specified village and projects.

15. Analysis of net assets between funds - Current Year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	9,622	9,622
Investments	-	1,212,563	1,212,563
Current assets	1,337,611	2,246,239	3,583,850
Creditors due within one year	-	(1,314,523)	(1,314,523)
	1,337,611	2,153,901	3,491,512

Analysis of net assets between funds - Prior Year

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	9,091	9,091
Investments	-	1,021,455	1,021,455
Current assets	1,268,690	3,647,398	4,916,088
Creditors due within one year	-	(2,150,637)	(2,150,637)
	1,268,690	2,527,307	3,795,997

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year	(304,485)	(615,057)
Adjustment for: Depreciation charges	4,211	5,830
(Gain)/Loss on investments	(188,798)	78,737
Donated investments	(2,310)	-
(Gain)/Loss on disposal of investment property	-	(43,288)
Dividends, interest and rents from investments	(16,000)	(12,339)
(Increase)/Decrease in debtors	(331,892)	565,784
(Decrease)/Increase in creditors	(836,114)	493,915
Net cash used in operating activities	(1,675,388)	(657,986)

17. Analysis of debt

	2019 £	2018 £
Cash in hand	2,476,974	4,141,103
Total	2,476,974	4,141,103

18. Operating lease commitments

At 31 December 2019 the charity had total commitments under non-cancellable operating leases as follows:

	LAND AND BUILDINGS		OTHER	
	2019 £	2018 £	2019 £	2018 £
Expiry Date:				
Within 1 year	48,000	144,000	3,467	3,428
Between 2 and 5 years	-	48,000	4,826	7,343
After more than 5 years	-	-	-	-
Total	48,000	192,000	8,294	10,771

19. Related party transactions

At 31 December 2019 the Charity held all 100 ordinary shares of £1 each in the wholly-owned subsidiary, SOS Children's Villages UK Trading Limited, which is registered in the United Kingdom, although these were written down to nil value in the 2002 accounts. The company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £38,911 (2018 - £54,640) was received from a Pakistan Support Group. A Khan, who resigned from her position as a trustee of SOS Children's Villages UK during 2019 is a bank signatory of the Pakistan Support Group.

Hong Kong Friends of SOS Children Limited is a branch of SOS Children's Villages UK and not consolidated on the basis of materiality. During the year under review Hong Kong Friends of SOS Children Limited had a turnover of £5,321 (2018 - £3,528) and a net surplus of £1,911 (2018 - £2,343).

There are no other related party transactions.

20. Post Balance Sheet Events

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Charity has implemented work from home policies, with limited access to the premises for only essential work, and in doing so can continue ordinary business operations, with minimal disruption to routine work.

The Charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.



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