



SOS CHILDREN'S
VILLAGES
UNITED KINGDOM

ANNUAL REPORT
2017

Cover: The Taman family benefit from our family strengthening programme started in Nepal after the earthquake in 2015.

Below: School children from our SOS Village community Mbabane, Swaziland.

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INTRODUCTION FROM MARY COCKCROFT, CHAIR, AND ALISON WALLACE, CEO



Mary Cockcroft



Alison Wallace

As we look towards our 50th anniversary, SOS Children's Villages UK continues to play a unique and essential role in improving vulnerable children's lives worldwide. We are part of the largest global charity caring for unsupported children, and every year we help provide families, homes, education and healthcare to thousands of children.

It was a challenging year for SOS Children's Villages UK with a significant restructure of the organisation including the Leadership Team and key staff roles. Despite these changes, our commitments to the children and projects we support were honoured in full thanks to the generosity of our donors and supporters.

In 2017, through the work of the global SOS federation, we contributed to almost 77,000 children and young people receiving alternative care in our village communities in 125 countries, with 131,500 children and young people given access to education at one of our 418 nursery, primary and secondary schools.

The delivery of quality care is the organisation's lifeblood, informing not only the work of our village communities, but every project. From building family resilience in emergencies to tackling the water crisis in our South African communities, supporting women-headed refugee families in Uganda, to providing care to children along the world's key migrant routes, our programmes are based on the knowledge that a child's life outcomes are improved by a positive relationship with a parent or parental figure.

And, in an increasingly volatile world, the programme work we contribute to remains a vital lifeline that in 2017 supported 865,065 people globally, including in some of the most dangerous places in the world to be a child.

The Syrian conflict entered its seventh year and we supported the delivery of life-saving work, as well as family reunion and child-friendly spaces. Our in-country sister organisation

opened an Interim Care Centre in the port of Tartous to support 450 unaccompanied and separated children.

And with forced displacement at record levels, and families fleeing due to conflict, violence, persecution, natural disasters and climate insecurity – SOS now has projects supporting forcibly displaced people in 25 countries, including Italy, Greece, Brazil, Colombia, Lebanon, Iraq, Somalia, Niger, and Bangladesh, where we are working with Rohingya people.

Despite a predicted reduction in extreme poverty of 38 million people in 2017, problems facing vulnerable children are becoming more complex and interlinked. Our Strategy 2030,

in tandem with the aims and deadlines of the Sustainable Development Goals, calls on us to respond to this growing threat by working harder to improve children's rights, build a movement of supporters to amplify our messages, become more digitally streamlined as an organisation and directly help more children to grow up protected and supported through partnerships with donors who share our values.

SOS Children's Villages UK's impact in 2017 was made possible by the amazing support received from our child and village sponsors, our corporate and institutional funding partners, our trusts and foundations, our committed, regular givers and those who ran, cycled, baked and much more to raise funds for our work. Their incredible generosity improves the lives of children every day.

The achievements outlined in this report reflect the great work delivered by our staff and the commitment of our board members during 2017.

Together we can give more vulnerable children the chance to flourish in a nurturing, safe environment.

**TOGETHER WITH OUR SUPPORTERS AND DONORS
WE CAN MAKE CHANGE HAPPEN.**

*Sadly this year our Patron
The Countess Mountbatten
of Burma passed away.
Her generous support and
commitment to SOS Children's
Villages UK will live on in
the determination of the
organisation to deliver better
and more for vulnerable
children worldwide.*

1. Unicef. "Children under attack at shocking scale in conflicts around the world, says UNICEF." Unicef.org. https://www.unicef.org/media/media_102357.html (accessed June 29, 2018)
2. UNHCR. "Forced displacement above 68m in 2017, new global deal on refugees critical." <http://www.unhcr.org/news/press/2018/6/5b27c2434/forced-displacement-above-68m-2017-new-global-deal-refugees-critical.html> (accessed July 1, 2018)
3. Brookings Institute. "Global poverty is declining but not fast enough." Brookings.edu. <https://www.brookings.edu/blog/future-development/2017/11/07/global-poverty-is-declining-but-not-fast-enough/> (accessed June 27, 2018)

OUR PART IN SOS CHILDREN'S VILLAGES INTERNATIONAL

SOS Children's Villages International is a global federation working to protect and care for children who have lost parental care, or who stand at risk of losing it. The federation comprises 118 national SOS Children's Villages associations with programme work in 125 countries.

The first SOS Children's Village was founded by Hermann Gmeiner in 1949 in Austria. He was committed to helping children in need – children who had lost their homes, their security and their families as a result of the Second World War. With the support of many donors and co-workers, the federation has grown to help children all over the world.

SOS Children's Villages UK is the SOS national member association for the United Kingdom.

It has been working as a fundraising and awareness-raising organisation since 1968.

As part of the global SOS federation, SOS Children's Villages UK helps shape key organisational policies - such as child safeguarding and the Care Promise¹; as well as fundraising goals and strategic direction. It is committed to applying the federation's statutes, standards for child safeguarding and quality care, and stringent financial and administrative practices and policies.

SOS Children's Villages UK's operational policies are agreed by the Board of Trustees in line with UK regulatory requirements and best practice.

CHILD SAFEGUARDING

At the heart of everything we do is the conviction that every child has the right to a caring, supportive and safe family-like environment in which to thrive.

An integral part of our work is to create a safe environment for children, young people and families - within our programmes and in the wider community and society. As a federation, we have a strong Code of Conduct for all staff and volunteers, as well as clear reporting and responding procedures. We take swift and determined action if staff members fail to adhere to our policies and expectations for child safeguarding.

There is no doubt that the intense proximity of our care, combined with the challenging needs of the children and the difficult circumstances in which we operate, means there is greater child safeguarding risk in our work. The protection of the children and young people in our care is central to all we do.

In recognition of the inherent risks in our work, with our sister organisations we chose to create our own reporting and record-keeping system

for child safeguarding in 2008, building on our universal child safeguarding and reporting policies and procedures. In September 2017, following an assessment of current child safeguarding practices, SOS Children's Villages became one of only four organisations in the child care sector globally to be granted Level 1 Certification by Keeping Children Safe (KCS), a well-respected international child safeguarding organisation that developed the International Child Safeguarding Standards.

Within our federation, we have resolved specifically to accelerate the roll-out of new tools related to child safeguarding investigations, to enhance our ability to collect and report data in real-time through the use of technology, and to sharpen the language in our Code of Conduct related to sexual exploitation and harassment in alignment with a current update to our programme quality standards policy. Along with our NGO peers, we are also participating in rapidly-forming sector-wide efforts to develop common standards and systems related to improving safeguarding globally.

1. SOS Children's Villages International "SOS Care Promise: How SOS Children's Villages ensures the best care for children and young people." [www.sos-childrevillages.org https://www.sos-childrevillages.org/getmedia/2ccd4a43-00d9-489a-8eb1-b57089f08289/SOS_CARE_PROMISE_EN_Web.pdf](https://www.sos-childrevillages.org/getmedia/2ccd4a43-00d9-489a-8eb1-b57089f08289/SOS_CARE_PROMISE_EN_Web.pdf) (accessed July 6, 2018)



A family living in the SOS village community in Nelspruit, South Africa.

WHO WE ARE

At SOS Children's Villages UK we are working towards a world where every child without parental support is cared for and protected.

We believe children flourish best in a family or family-like environment.

That's why SOS Children's Villages UK supports the work of more than 550 village projects across the world that look after children who have lost parental care or who are at risk of losing it.

Through the kindness of sponsors, vulnerable children join a family-like group headed by a qualified carer. They live in a home and have access to quality education and medical care.

And when times are difficult for communities, we support parents and children to try to prevent family breakdown.

In emergencies, we believe families offer the best and fastest chance of individual and community rehabilitation and so our work ensures children and their families coping with conflict and disaster receive immediate life-saving support, while our psycho-social and

reintegration programmes provide the care and skills to rebuild lives.

We are part of the world's largest charity working for children without parental support, or at risk of losing it. The SOS network of 118 member organisations delivers vital care in 125 countries.

In the UK we raise awareness and funds, building partnerships with those who share our vision for children.

We also campaign on behalf of children globally, using our expertise and experience to work in collaboration with other UK NGOs to change policies and systems that fail to uphold children's rights, especially those that harm a child's right to grow up in a family environment.

In all we do, we are guided by our values of:

**COURAGE
COMMITMENT
TRUST
ACCOUNTABILITY**

CHILDREN IN CRISIS

More than 140 million children are without one or both parents worldwide¹ – and this number is growing. Without parental support or protection these children are desperately vulnerable to exploitation and abuse. Many are forced to grow up too fast and alone in an environment where conflict, forced migration and climate change pose real threats.

Nearly fifty years after SOS Children's Villages UK was founded, our work on behalf of children living without parental support or at risk of losing it is more vital than ever.

We have seen first-hand the reality faced by children who have been left behind by society because they lack parental support systems. We work in areas affected by conflict and drought, by extreme poverty and volatile political contexts. In these environments, the most disadvantaged children are hit first and hardest. Through our sister organisations in 125 countries, we work to bring these children the stability and care they need to thrive.

We believe strongly that a caring and protective environment is central to a child's development. Children that grow up in a stable and caring family, within a supportive community, have a better chance of realising their potential. They are better equipped to develop life skills such as communication, cooperation, problem-solving and setting personal goals, and they are supported whilst they build their self-confidence, determination and resilience. They are also better able to develop social networks and friendships which can be a source of support throughout their lives. With caregivers on-hand to ensure they attend school and take advantage of healthcare services, they are healthier and better educated. Ultimately, they have healthier relationships, find decent jobs and transform their communities for the better. *We call this the care effect.*²

By contrast, for the millions of children worldwide without parental support the future is often bleak. Deprived of the opportunity to get a decent education and develop essential life-skills



their chances of living a life free of poverty are diminished, and they are at increased risk of discrimination, neglect, abuse and abandonment. Without positive experiences of parenthood to draw on, unsupported children often find it more difficult to adequately support their own children's development, and so the harmful effects are passed on generation to generation.

According to UNICEF, 2017 was a 'nightmare year' for children caught in warzones, with warring parties cited as having a blatant disregard for international law when it came to the rights of children. High numbers of children were reported to have been killed, used as human shields and recruited to fight in conflict-ridden regions around the world.

*"Children are being targeted and exposed to attacks and brutal violence in their homes, schools and playgrounds," Manuel Fontaine, UNICEF's director of emergency programmes, said. "As these attacks continue year after year, we cannot become numb. Such brutality cannot be the new normal."*³

The federation's work in Syria has placed us at the centre of a complex and prolonged conflict where in some cities more and more families are being forced to seek shelter underground due to relentless aerial bombardment. Food is scarce and expensive, and emergency aid is often unable to get through to those who need it most. We are running child-friendly spaces in an attempt to ameliorate some of these effects by providing children with rest, food, medical attention, trauma counselling, and most importantly of all, a chance to play. But it will be years before the full extent of the psychological impact on children is known. And this is just one



of the increasing threats to children worldwide. Globally there are 1.2 billion children affected by poverty, conflict and discrimination – that's more than half of the world's children. And some of those children are facing more than one of these threats at the same time.³

For nearly 50 years, SOS Children's Villages UK, through our sister organisations worldwide, has practised a three-strand approach:

- providing alternative care for the world's most vulnerable children;
- helping struggling families to stay together through family strengthening programmes which help reduce child abandonment; and
- advocating for the rights of unsupported children and their families.

As part of the SOS Children's Villages federation, we will continue to work towards the aims and deadlines of the Sustainable Development Goals, and with the continued help of our fundraisers, donors and partners, we will provide the highest standard of care and support to more of the world's vulnerable children as they face greater threats to their safety and wellbeing.

1. Unicef. "Orphans." unicef.org. https://www.unicef.org/media/media_45279.html (accessed June 26, 2018)

2. SOS Children's Villages International. "The Care Effect." sos-childrensvillages.org. https://www.sos-childrensvillages.org/getmedia/cbf6820c-e8ab-4940-8e67-4618d19fe098/SOS_Childrensvillages_The-Care-effect_English.pdf (accessed June 26, 2018)

3. Unicef. "2017 a 'nightmare year' for children caught in warzones." Unicef.org. <http://www.dw.com/en/unicef-2017-a-nightmare-year-for-children-caught-in-war-zones/a-41951890> (accessed June 26, 2018)

4. Save the Children. "End of Childhood Report." Savethechildren.org.uk. https://campaigns.savethechildren.net/sites/campaigns.savethechildren.net/files/report/EndofChildhood_Report_2018_ENGLISH.pdf (accessed June 26, 2018)



THROUGH THE GLOBAL
FEDERATION OF SOS
CHILDREN'S VILLAGES,
WE HELP CHILDREN
ACROSS 125 COUNTRIES.

HOW WE HELPED

In 2017, SOS Children's Villages UK distributed **£5.7m** from our donors to SOS programmes and projects

ACROSS THE WORLD:



£2.7m to provide family care, homes, education and health care for children sponsored from the UK

£264,000 sent to **NEPAL** to support the building of new homes following the earthquake in 2015

£255,000 sent to Zambia to support the SOS programme in **CHIPATA**

£238,000 sent to Malawi for the children's village communities in **MZUZU** and **BLANTYRE**

£152,000 sent to The Gambia to support the SOS programme in **BASSE**

£149,000 sent to the Philippines for the social centre/kinship care facility in **TACLOBAN**

£103,000 sent to Guinea Bissau for the Women's Empowerment Project in **GABU**

£57,000 sent to Bangladesh to support the family strengthening programme in **RAJSHAHI**

£56,000 sent to Greece to support social centres in **ATHENS** and **PATRAS**

GLOBAL WORK OF SOS: ALTERNATIVE CARE

In 2017, the federation's village communities provided almost 77,000 children worldwide with the chance to thrive in a family environment. When children were left with nobody to care for them – whether through abandonment, neglect, abuse, or bereavement – we were there to offer them a home, a carer, and a family where they could grow up from cradle to career.

We know there is no better environment to raise a child than in a caring and supportive family, so every child grows up in a family household with a dedicated SOS parent and brothers and sisters of their own. As a testament to the strength of these relationships, many children keep in contact with their SOS families throughout the course of their lives. SOS parents are trained and dedicated carers from the local community, and they use their understanding of the cultural context to inform their support for children.

Together with our sister organisations, we ensure the children in our care have access to everything they need to reach their potential – quality education, healthcare, and



emotional support. Many of the children we care for have endured terrible abuse or hardships in their young lives – living through conflict, natural disasters, pandemics or extreme poverty. The federation's psychologists, carers and social workers are trained to help children come to terms with their past, and ensure they have all the help they need to flourish.

When they are ready to transition towards independence, SOS youth homes help older teenagers to develop life-skills and confidence which will help them on their journey through life, as well as vocational training, further education, career guidance, work experience and mentorship programmes.

OUR PROJECTS

Thanks to the generous support of our UK sponsors and donors, the SOS village communities of Chipata, Zambia and Basse, The Gambia continued to thrive in 2017. Both communities were originally built entirely with donations from the UK.

Our village community in Chipata provided long-term family care to more than 100 children, and our family strengthening programme helped support struggling families. Our nursery school, medical centre and social centre ensured children and their families had access to essential health and nutritional services, income-generating skills, education and vocational training, HIV and AIDS prevention, and psychological and emotional support.

In Basse, we provided children without parental care with a stable and caring upbringing in 12 family homes. We also ensured more than 330 children from our village and the local community had access to quality education through our primary and secondary schools. Our family strengthening programme offered essential support to vulnerable families in the region, and our youth homes helped young people make the difficult transition towards independence.



Children at SOS Children's Village Basse.

GLOBAL WORK OF SOS: FAMILY STRENGTHENING PROGRAMMES



A mother and child learning skills to produce their own food in South Africa.

We know one of the best ways to protect children from losing parental care is to help struggling families make it through the hard times. When families and communities are strained by failing economies, conflict, epidemics, and natural disasters – or by personal challenges such as bereavement, addiction and separation, with our sister organisations on the ground we provide practical and emotional support to help parents and caregivers offer children the best start in life.

In 2017, the federation’s family strengthening programmes supported more than 98,000 families facing crisis or extreme hardship worldwide – empowering them to lift themselves out of poverty, improve their family relationships, and be better equipped to provide for children’s needs.

Thanks to the commitment of our donors, we were able to support the prevention of family breakdown and child neglect and abandonment around the world. Together with our sister organisations we helped more than 300,000 children to enjoy a safe and happy childhood with their biological parents.

Family strengthening enables parents to establish a steady income for their families - helping them find work, improve their financial planning and gain marketable new skills. Families are also supported to stay together by offering family counselling, parenting workshops and emotional support.

Working with community groups, local authorities and governments we are helping to advance the child welfare and social support systems available for families. Around the world, as part of the global federation, we are supporting the establishment of child welfare committees and helping community and women’s groups gain influence on childcare issues.

As our family strengthening programmes continue to grow in number and scope, more children than ever will grow up free from the debilitating consequences of poverty - unaffected by homelessness, malnutrition and other poverty risk factors such as child labour and exploitation.

SUPPORTING SURVIVORS OF THE NEPAL EARTHQUAKE

When a massive earthquake struck Nepal in 2015 hundreds of children were left without parental care. Some, like two-year-old Sujal, lost their parents as the disaster tore apart their city, while others were abandoned in the ensuing chaos and destruction.

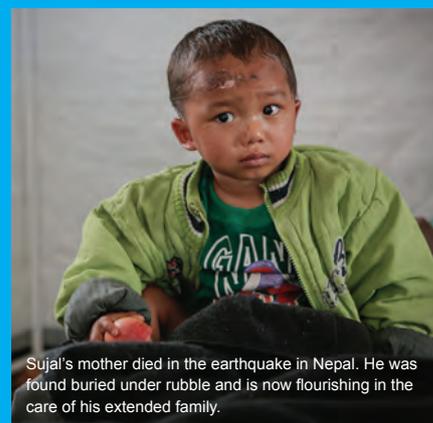
When we first met Sujal in the Kavre relief camp a few days after the disaster he was terribly injured, wrapped in plaster casts and without anyone to care for him.

The earthquake left many families destitute and meant grandparents, aunts and other extended family members couldn’t offer a home to children who needed it. In 2017, SOS’s kinship care programme continued to provide

families with the long-term financial and practical support they need to offer these children a better future – Sujal was one of the first children to benefit.

Thanks to the programme, families that lost everything in the earthquake have been empowered to rebuild their lives and become financially independent. Hundreds of vulnerable children, including Sujal, are growing up with the care and support of their families.

Sujal is now flourishing under his family’s care and doing well at nursery school. A few months ago, they became financially secure enough to no longer need our support – a marker of the programme’s success.



Sujal’s mother died in the earthquake in Nepal. He was found buried under rubble and is now flourishing in the care of his extended family.

Of the 350 families to benefit from the programme, 80 continued to need our support in 2017. SOS’s permanent presence in Nepal means we can, and will, continue to be there for as long as we are needed.

GLOBAL WORK OF SOS: EMPOWERMENT THROUGH EDUCATION

We believe education is key to ending the cycle of poverty and setting children on a path to a fulfilling and successful life.

Every child and young person we and our sister organisations support receives a quality education at a local or SOS-run school, with qualified and experienced teachers and the books and equipment they need to learn and play. Beginning with early childhood and continuing beyond secondary school, SOS guides each young person in our care along a personal path from school to employability.

When children are denied the chance to go to school – by poverty, crisis or poor services, SOS ensures they receive the quality education they deserve. In 2017, the federation’s 418 nursery, primary and secondary schools educated more than 130,000 children worldwide, encouraging individual achievement and opening up a world of life-changing opportunities for some of the world’s most vulnerable children.

The federation’s vocational training centres are also equipping young people with the qualifications and work experience they need to compete for employment in their

local job market. Courses are available to any young person in the community who needs our help fulfilling their potential, not only those who are in our care, so the entire



A young woman is being taught how to care for her own poultry farm, allowing her to generate income and feed her family.

community can benefit from the economic impact of lower unemployment and increased income generation. In 2017 we helped almost 20,000 young people take the step into employment and independent living.

In the digital age computer literacy can play a huge role in boosting the potential of people in the world’s most marginalised communities. We are supporting children’s digital development by providing access to the internet and computer training, and by enabling e-learning.

EDUCATION IS CHANGING CHILDREN’S LIVES

When seven-year-old Gratia arrived at the SOS village community in Kayonza, Rwanda she was unable to speak, dress herself or use a pencil. Her young life had been characterised by loss, poverty and neglect. Her father – the family’s main breadwinner - had died when Gratia was an infant, throwing the family into extreme poverty. A year later her mother, unable to cope with raising six small children alone, abandoned her. Gratia’s eldest brother became the new head of the family at just 12 years old.

The children lived alone for more than five years, fending for themselves, and without enough to eat, before being referred to us. Now Gratia and her youngest brothers and sisters are attending school and doing well under the care of their SOS mother.

Education has changed Gratia’s life. Once a quiet and unsociable child, with her teachers’ support Gratia has been transformed into a bright and happy child, brimming with ambition. She is more confident, and her speech and writing have vastly improved. She now dreams of becoming a teacher.



Children at an SOS school in Madagascar receive a quality education from a qualified teacher

OUR POWER A PUPIL CAMPAIGN

In 2017, our Power a Pupil campaign drew attention to the millions of children and young people worldwide without access to education. Many countries lack the economic capability or infrastructure to enable all children to attend school, while children growing up in regions affected by conflict or natural disasters often have their educations disrupted.

The campaign encouraged schools, community groups and individuals in the UK to engage with our work to provide quality education to children around the world, and fundraising to help us improve the life chances of disadvantaged children.

GLOBAL WORK OF SOS: CARING FOR CHILDREN IN EMERGENCIES

One in six children worldwide are growing up in a warzone, many more have had their lives and families shattered by natural and man-made disasters. These extreme circumstances impact family and community life, putting children at increased risk of malnutrition, disease, exploitation and long-term trauma.

We support the federation's emergency response teams to protect children and their families in times of war and chaos, ensuring their basic and psychological needs are met. We also work with our sister organisations to strengthen and reunite families, provide children and young people with access to education and training, and care for children without parental support.

In 2017, the federation operated 34 emergency response programmes in 26 countries and territories worldwide.



These included responses to natural disasters in Ethiopia, Somalia, Colombia, Mexico, Mozambique and Peru, and supporting children and families displaced by the persecution of the Rohingya community in Myanmar and conflicts in Syria, Ukraine and West Africa's Lake Chad region.

Where refugee children were without parental support, we supported our sister organisations to deliver care until their families could be located or a new home for them could be found – working with local authorities and governments to improve alternative care provision and fill the care-gap with our own expertise. In several countries, including Serbia and Macedonia, SOS Children's Villages was the primary or only caregiver for refugee children.

PROTECTING SYRIAN CHILDREN

As the Syrian civil war entered its seventh year, five million children¹ were left facing a dire humanitarian crisis - living under the constant threat of bombs and bullets and without sufficient food, drinkable water or medical supplies.

In 2017, SOS opened a second village community in Damascus to care for the increasing number of children who have lost or been separated from their

parents by the conflict. The federation's child-friendly spaces also continue to be a central pillar of our emergency response - offering respite from crisis and a safe place where children can relax and play, receive nutritious meals, health services, education, and trauma counselling. They also serve as safe childcare for parents, who can then focus on pressing matters such as finding food, shelter and employment

and locating relatives - comforted by the knowledge their children are being cared for by childcare professionals.

The work of our global organisation to protect Syrian children stretches far beyond Syria's borders, as does the impact of the conflict itself. We are supporting Syrian refugees in refugee camps in Lebanon, Jordan and Iraq and along the world's key migrant routes.

1. Unicef. "UNICEF's response to children in Syria." Unicef.org. <https://www.unicef.org/emergencies/syria/> (accessed June 29, 2018)

FUNDRAISING AND PARTNERSHIPS



£6,368,232 RAISED IN CHARITABLE INCOME IN 2017

We are registered with the Fundraising Regulator and a member of the Institute of Fundraising. In line with this we aim to build the best possible relationships with our donors, supporters and corporate partners, ensuring 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 undertook in preparation for the General Data Protection Regulation, which came into effect in May 2018.

We fundraise in several ways, working with grant making organisations, corporate partners, community groups, individual donors and institutional funders, such as The Big Lottery Fund. When supporting individual fundraisers, we ensure they are informed of their obligations to ensure fundraising in our name is conducted in line with our values and to the highest possible standards. As part of this, 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.

During the year we received nine complaints regarding fundraising. We strive to learn from any complaints we receive and monitor these on an ongoing basis, to ensure we improve areas in need of addressing. We did not engage any external organisations, such as telephone or street fundraising agencies, in 2017. Looking ahead, if we were to engage such services, we would ensure that best practice is maintained at all times, and that members of the public are approached in a sensitive and respectful manner. As part of this we are committed to registering to receive suppression under the Fundraising Preference Service.

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

WE ARE ENORMOUSLY GRATEFUL TO ALL OUR SUPPORTERS, MANY OF WHOM GO TO GREAT LENGTHS TO RAISE MUCH NEEDED FUNDS FOR OUR WORK.

BEN BUCKTON

Ben's grandfather was on one of the first commercial flights in 1932, when it crashed in Honduras. All the passengers survived thanks to the support from villagers in



Choluteca, a small Honduran village, who witnessed the crash and saved those on board. To show his gratitude, Ben wanted to give something back to the people of Choluteca and discovered that SOS Children's Villages already supported this village.

In 2016, he started to fundraise for our work in Choluteca and set up a sponsorship. In 2017, he decided to cycle across Canada to raise money for SOS Children's Villages UK – a journey of over 4,600 miles, which he completed in just 89 days. Ben raised over £8,000 and is taking part in the RideLondon event in 2018 to continue his support.



KEVIN ERRINGTON

Kevin came to us early this year, as he wanted to participate in a fundraising challenge for the first time since childhood. He works as a firefighter in Darlington and decided to cycle from there to Torrevieja in southwest Spain. He cycled over 1,500 miles in 12 days, raising over £3,000 for SOS Children's Villages UK as a result.

OUR PARTNERSHIPS

SThree reaches £1m fundraising target



SThree has been one of SOS Children's Villages UK's transformational corporate partners since 2009, supporting a range of programmes across the world.

As part of this partnership, SThree has supported the long-term development of the SOS village community in Chipata, Zambia, funding specific projects in the village to improve healthcare, education, vocational training and investment in micro-enterprises, enabling sustainable change and impact. SThree has repeatedly supported SOS Children's Villages UK emergency appeals for Nepal, Haiti, China and East Africa, and more recently the refugee crisis in Europe.

Projects supported in 2017 include elementary education in the Philippines, family strengthening programmes in Chipata, emergency relief for refugees in Greece as well as the building of a new village community in France. In 2017, SThree raised more than £200,000 through a combination of staff fundraising, match funding, a gala and corporate donations.

At the beginning of the partnership, SThree and its employees set themselves a target of donating £1,000,000 by 2018. We are thrilled and very grateful that they have exceeded this by over £50,000, resulting in more than £1,050,000 in charitable funding for SOS programmes. The impact from this partnership was celebrated at a gala held at Battersea Evolution, raising a further £40,500. The SThree approach has been committed, proactive and generous which has resulted in a strong and successful partnership.

"By developing a close long-term partnership with SOS Children's Villages UK, I have seen remarkable progress in areas like Chipata. The unsupported children in this under-resourced region now have the care, education and hope they need to grow up safely. I am very proud of our contribution to transforming children's lives." Gary Elden OBE, CEO, SThree.



Creating Opportunities, Changing Lives



HSBC's long-term partnership with SOS Children's Villages is continuing to help young people to achieve their potential.

In 2017, we received a further grant of \$1 million through the HSBC Youth Opportunities Programme (formerly Future First) for projects that will create positive long-term change for children and communities. This grant is funding 24 initiatives that will benefit more than 4,500 children in 18 countries globally.

Through these projects, SOS Children's Villages and HSBC are increasing the employability of children and young people in our village communities and in our family strengthening programmes. The funding is enabling the most vulnerable children to access quality education and vocational training that will pave the way to work. We are also delivering counselling and extra-curricular activities to help children develop self-confidence, raise their aspirations and develop social skills.

SOS-Kinderdorf Berlin in Germany, for example, has a market garden where children and their families, many of whom are migrants or refugees, receive emotional support, meet other members of the community and develop their language skills. The centre also helps disadvantaged teenagers to find apprenticeship schemes so they can improve their chances of finding a job.

In SOS Children's Villages Tanta and Cairo, in Egypt, children are developing IT skills that are vital for employment. The project is helping young people who have lost, or who are at risk of losing, parental care, to have a better chance in life.

SOS Children's Villages was appointed to participate in HSBC's flagship global education programme in 2006. The partnership has created hundreds of collaborative projects that have benefitted more than 375,000 children around the world. Every year, HSBC employees get involved in our work by offering time, skills and commitment, making a huge difference to children.

"Our support of SOS Children's Villages' employability initiatives is based on the belief that all people deserve the opportunity to thrive," says Alison Coates, Global Head of Future Skills, HSBC Holdings plc. "Through the projects we fund, and the support provided by our volunteers, we aim to help vulnerable people secure their futures in a rapidly changing world."

OUR PARTNERSHIPS EMPOWER WOMEN WORLDWIDE

In many countries and cultures, girls and women are still treated like second class citizens. They face challenges that include early marriage; female genital mutilation/cutting (FGM/C); and gender-based domestic violence (GBV). According to UNICEF data, nearly three quarters of women believe it is a husband's right to beat his wife for reasons as trivial as burning the food.

Investing in women is crucial to creating prosperous societies. Research shows that when more income is put into the hands of women, child nutrition, health and education improve, as, on average, women invest 90% of their income back into the household.

SOS Children's Villages UK is committed to empowering women and girls around the world and ensuring they have the opportunities and confidence to fulfil their potential. In 2017, we achieved this through two projects in West Africa that are enabling women to take charge of their lives and end the violation of their rights.



The first project is based in The Gambia, funded by a grant of €200,000 from the European Union over three years, 2014-2017. The second is a three-year project based in Guinea Bissau, funded by a grant of £299,623 from the Big Lottery Fund over the course of three years, 2015-2018, and a grant of £50,000 from Allen & Overy over two years, 2016-2017.



ALLEN & OVERY

The projects share common goals - to help women to understand and claim their rights; to strengthen the economic power of women so they can provide for their children; and to work with the wider community to ensure the long-term respect for and protection of women's rights.

2017 saw the successful completion of the 'Women's Empowerment for Change' project in The Gambia. In partnership with ChildFund and BARROW, SOS Children's Villages worked with 100 of the most vulnerable single mothers in five districts. Each has been supported with training and microfinance to set up their small enterprises. By generating income from the project, the women are on the



path to leading financially independent lives. They are now able to send 92% of their children to school and break the cycle of poverty.

A key focus of the project has been the reduction of female genital mutilation and cutting. Not only have local FGM/C circumcisers been supported to 'drop the knife' and find other sources of income, they have also become influential advocates for stopping this harmful practice.

In Guinea Bissau, campaigns and awareness-raising for the rights of women and girls is addressing gender-based domestic violence. Working with government organisations, we have improved access to hospital treatment for victims of violence and successfully lobbied for 'Gender and Women's Rights' to become part of the curriculum. We have already seen a drop in the reported number of GBV incidents.

By funding this work, our partners have enabled a positive shift in the behaviour and attitudes towards women, leading to a brighter future for them, their children and the communities in which they live.

As a result of these programmes:

THE GAMBIA

- **100% of the women declared that the violation of their rights has reduced**
- **More than half of the children declared that their life had improved since the start of the project**

GUINEA BISSAU

- **91% of women trained in business skills are running a profitable business**
- **52% reduction in the number of women who plan to submit their daughters to FGM/C**

OUR SUPPORTERS

Partnerships with businesses, trusts, private donors and foundations play a huge part in enabling us to deliver our shared mission: to change the lives of even more vulnerable children around the world.

THE A B DAVID CHARITY
AIR TRANSAT / CANADIAN AFFAIR
THE ALLAN & NESTA FERGUSON CHARITABLE TRUST
THE ALLEN & OVERY FOUNDATION
AMEC FOSTER WHEELER
THE BEATRICE LAING TRUST
THE BETTY LAWES FOUNDATION
BIG LOTTERY FUND
BLUE CAP COFFEE
BT
CAMBRIDGE ENGLISH LANGUAGE ASSESSMENT
CITY FOOTBALL GROUP
CLEVELAND TECHNOLOGIES GROUP
CONCORDIA INTERNATIONAL LIMITED
CUSTOMER EXPERIENCE GROUP
DEMELLIER
DHL UK FOUNDATION
DR. OETKER
THE ERPIOS TRUST
EUROPEAN UNION
FEDERATION OF COCOA COMMERCE
FROM BABIES WITH LOVE
HSBC HOLDINGS PLC
IAN FLEMING PUBLISHING
J. MARR (SEAFOODS) LIMITED
LINES AND CURRENT
MILTON DAMEREL TRUST
PAKISTAN SUPPORTERS' GROUP
THE PD FOUNDATION
THE PROPERTY RACE DAY
STHREE PLC
SUBSEA7
THOMAS COOK CHILDREN'S CHARITY

A huge thank you to all of our amazing sponsors, donors, schools, community groups, and event participants who have supported our work this year. Your generosity is making a world of difference to children and communities around the globe.

OUR NEW CEO LOOKS FORWARD

The present and future scenarios facing children living without parental care or at risk of losing it are extremely challenging. Many of the new threats to vulnerable children are linked to a substantive shift in the way people, governments and regions interact and perceive their place in the world. There is also increasing instability caused by the struggle of individuals, communities and multinational corporations to live in balance with their environment and the world's resources. These challenges hit the poorest people first and worst, and within that already-vulnerable group, unsupported children are the most precarious.



The Sustainable Development Goals¹ envisage a world free of poverty, violence and inequality, where everyone can fulfil their potential with dignity by 2030. SOS Children's Villages works with partners and governments to achieve the SDG targets with the greatest impact for disadvantaged children and young people. Our Strategy 2030², based on the aims and deadlines set out in the SDGs, helps us respond to the changing needs in the communities where we work, putting the most disadvantaged children at the centre of our actions.

As part of the world's largest charity caring for unsupported children, we are committed to playing our part in shaping and delivering the change we want to see. We are working with the global SOS Children's Villages federation to support the provision of the highest standard of care and support to more of the world's vulnerable children than ever before.

As part of our global Strategy 2030, in 2018 SOS Children's Villages UK will work towards the following aims:

PARTNERSHIPS: we will seek to raise more funds for the delivery of support for vulnerable children through more partnerships with those who share our values;

CAPACITY: we will continue to secure the support of UK donors for projects that increase our emergency response preparedness and capacity, so more vulnerable children can receive care in a crisis;

ADAPTATION: we will support community projects, such as family strengthening, that look at individual and group needs, taking into account cultural context and the understanding that one size cannot fit all;

INDEPENDENCE: we will support young people through donor engagement with projects that help build skills for work and life, and encourage independent living;

SIMPLIFICATION: we are working towards becoming a simpler, more agile organisation - streamlining our fundraising efforts in tandem with our new website in order to better serve and look after donors;

INNOVATION: we will continue to secure the support of UK donors for projects that develop and improve our range of innovative, community-integrated, gender-sensitive care models based on the UN Guidelines for the Alternative Care of Children;

CAMPAIGNING: we will hold the UK Government to account over its treatment of child refugees when their right to grow up in a family environment is put at risk;

CREATE A MOVEMENT: we will increase the number of our supporters and volunteers in the UK who can amplify our organisational messages in support of improving or implementing children's rights;

PARTICIPATION: we will encourage children and young people to take part in the democratic process by helping them raise their voices through participation in our UK campaigns and events.

A.M. Wallace

Alison Wallace, CEO, SOS Children's Villages UK

1. United Nations. "Sustainable Development Goals." un.org. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/> (accessed June 26, 2018)

2. SOS Children's Villages. "No child should grow up alone. SOS Children's Villages Strategy 2030." sos-childrensvillages.org. <https://www.sos-childrensvillages.org/getmedia/a396383a-c537-4a59-a0cc-b73151e4775f/SOS-Children-s-Villages-2030Strategy.pdf> (accessed June 26, 2018)

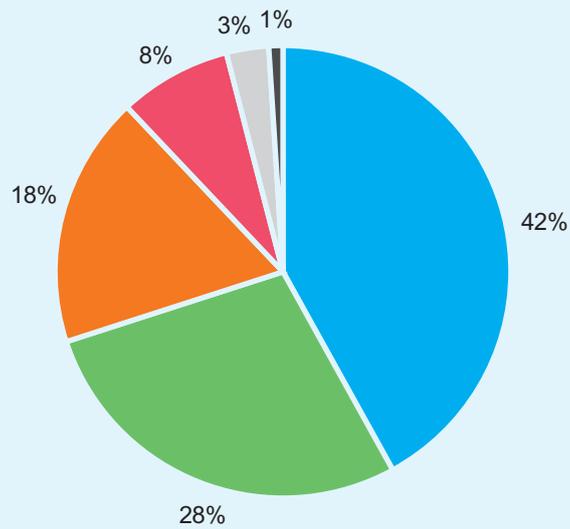
FINANCIAL PERFORMANCE

The charity's incoming resources decreased by £925,000 (13%) to £6.4 million. Legacy income saw a significant increase, however individual, corporate and trust income decreased.

Total expenditure remained closely aligned to the prior year, with a decrease of less than 1% to £6.84m. Net expenditure before gains and losses for the year on unrestricted funds was £0.75 million.

INCOME 2017: £6.4 MILLION

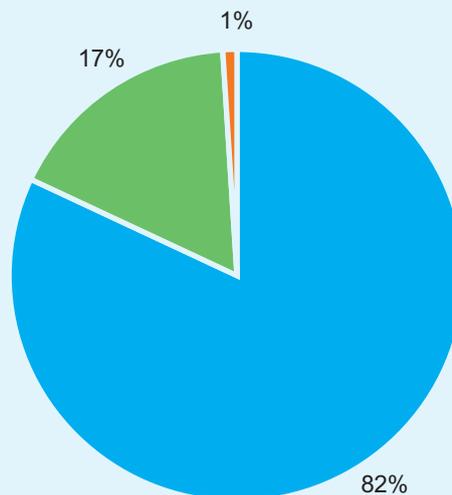
● Sponsorship	£2,676,066
● Corporations, Trusts, individual & major donors	£1,790,464
● Legacies	£1,141,467
● Gift Aid	£519,880
● Other	£161,725
● Institutional donors	£84,909
Total income	£6,374,511



CHARITABLE ACTIVITIES

Charitable activities decreased slightly in the year, following a reduction in income leading to less funds being available for investment in programmes.

● Charitable Activities	£5,592,149
● Raising funds	£1,190,866
● Governance	£59,093
Total expenditure	£6,842,108



GAINS AND LOSSES

The charity initiated its first investments with M&G investments Limited in 2016. In 2017, the total market value of the investments increased by 9.27%.

The charity operated a defined benefit pension scheme which closed during 2016 and an exit fee of £11,503 was paid at the time.

RESERVES

SOS Children's Villages UK is exposed to two key fluctuations in income stream: donations and legacies. We need to maintain a level of reserves so that we can continue operations in the event that an unforeseen shortfall in voluntary income, an increase in programme costs, or indeed significant fluctuations in currency exchange rates creates an imbalance of funding. The Trustees have therefore determined that reserves to the equivalent of a minimum of 12 months' running costs should be retained.

INVESTMENTS

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

The charity has invested 78% of its funds in Charifund and 22% in Charibond units. The majority of the funds are managed on a discretionary basis by M&G Investments Limited.

The published yields as at 31 December 2017 were 3.62% and 4.56% for Charibond and Charifund, respectively.

Fixed assets comprise fixtures and fittings, and IT systems and office equipment. Investment property consists of farm land donated to the charity.

EMPLOYEES & VOLUNTEERS

Information about our aims, activities and other relevant information is disseminated to all staff and volunteers through briefings, meetings, and the use of the charity's intranet. The charity consults with all staff on key issues.

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.

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.

Every year volunteers support the charity in a range of roles in our office. They also play a crucial part in our fundraising events and initiatives. Accordingly, we are very grateful to each and every volunteer for the time and skills contributed to the charity and its work.

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. Reports are made to the Trustees which compare actual results against activity targets and against the phased budget and which link financial performance with resource and activity levels.

Internal controls are subject to scrutiny by the charity's Auditors annually.

The charity has risk management policies and procedures through which risks arising from the existing operations and strategic developments are identified and evaluated. Senior managers are required to 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 & 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. Below is a list of five major risks the Trustees have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
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 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 or compliance obligations	<ul style="list-style-type: none"> • Strong control procedures in place for approving financial transactions, GDPR, Health & 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.
Reputational risk arising from the size and diversity of an SOS Federation with 118 members.	<ul style="list-style-type: none"> • Maintain close working relationship with General Secretariat Communications Team. • Contribute to Secretariat Crisis Communications Planning. • Establish and maintain good working relationships with key media outlets. • Develop staff understanding of SOS work, strengths and challenges. • Protocol for managing press enquiries.

CHARITABLE OBJECTS

The objects of the Charity are set out in the Articles of Association, which 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

BOARD OF TRUSTEES

SOS Children's Villages UK is governed by a Board of Trustees, made up currently of seven 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 Leadership Team (SLT). The Board of Trustees also delegates specific responsibilities to a sub-committee:

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

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.

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 to assume that the charity will continue its activities;
- observe the methods and principles in the Charity SORP 2015 (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.

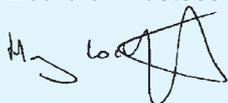
Remuneration for the Senior Management team is set by the Chief Executive Officer, in consultation with the Board of Trustees.

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;
- buddying, coaching or training;
- a trustee induction pack
- access to relevant training through National Council for Voluntary Organisations (NCVO)

The trustees' report was approved on behalf of the Board of Trustees



Mary Cockcroft
Chair of Trustees SOS Children's Villages UK
July 27, 2018

PRESIDENT

Dame Mary Richardson DBE

TRUSTEES

Mary Cockcroft, Chair

Earl of St Andrews, George Philip Nicholas Windsor

Michael Brewer

Graham Budd

Ayesha Khan

Matthew de Villiers

Don Haszczyn, Appointed 12 April 2018

Thomas Bauer, Resigned 11 October 2017

CHIEF EXECUTIVE OFFICER

Alison Wallace

SENIOR LEADERSHIP TEAM

Susanne Owers, Director of Fundraising

Clare Jenkins, Director of Finance and IT

Pascale Palmer, Director of Communications

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

Registered office: Terrington House, 13-15 Hills Road, Cambridge, CB2 1NL

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

SOS CHILDREN'S VILLAGES UK

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

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2017 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 2017, 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 [set out on page 21], 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: www.frc.org.uk/auditorsresponsibilities. 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.

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: August 3, 2018

SOS CHILDREN'S VILLAGES UK

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2017

				2017	2016
	Note	Restricted Funds £	Unrestricted Funds £	Total Funds £	Total Funds £
INCOME					
Donations and legacies	2	4,127,588	2,240,644	6,368,232	7,203,867
Other trading activities	3	-	1,050	1,050	83,091
Investments	4	-	5,229	5,229	12,157
TOTAL INCOME		4,127,588	2,246,923	6,374,511	7,299,115
EXPENDITURE					
Raising funds	5	-	1,190,866	1,190,866	1,127,100
Charitable activities	5	5,246,583	404,659	5,651,242	5,772,987
Total expenditure		5,246,583	1,595,525	6,842,108	6,900,087
Net gains on investments		-	97,468	97,468	2,724
NET (EXPENDITURE) / INCOME		(1,118,995)	748,866	(370,129)	401,752
Transfers between fund		278,775	(278,775)	-	-
NET MOVEMENT IN FUNDS		(840,220)	470,091	(370,129)	401,752
Reconciliation of funds:					
Total funds at 1 January 2017	15	2,560,665	2,220,518	4,781,183	4,379,431
Total funds at 31 December 2017		1,720,445	2,690,609	4,411,054	4,781,183

All activities relate to continuing operations.

The notes on pages 29 to 42 form part of these financial statements.

SOS CHILDREN'S VILLAGES UK

REGISTERED COMPANY NUMBER: 03346676

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	10	11,530	12,500
Investment property	11	100,000	100,000
Investments	12	1,100,192	1,002,724
TOTAL FIXED ASSETS		1,211,722	1,115,224
CURRENT ASSETS			
Debtors	13	209,201	590,281
Cash at bank and in hand		4,646,853	4,529,591
TOTAL CURRENT ASSETS		4,856,054	5,119,872
Creditors: amounts falling due within one year	14	(1,656,722)	(1,453,913)
NET CURRENT ASSETS		3,199,332	3,665,959
NET ASSETS		4,411,054	4,781,183
FUNDS OF THE CHARITY:			
Restricted funds	15	1,720,445	2,220,518
Unrestricted funds	15	2,690,609	2,560,665
TOTAL FUNDS		4,411,054	4,781,183

The attached notes on pages 29 to 42 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 July 12, 2018 and signed on their behalf by:



Mary Cockcroft

SOS CHILDREN'S VILLAGES UK

REGISTERED COMPANY NUMBER: 03346676

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash Flows from Operating Activities			
Net cash provided by operating activities	17	116,035	249,668
Cash Flows from Investing Activities			
Payments to acquire investments		-	(1,000,000)
Dividends, interest and rents from investments		5,229	12,157
Purchase of property, plant and equipment		(4,002)	(1,968)
Net cash provided by investing activities		1,227	(989,811)
Change in cash and cash equivalents in the year		117,262	(740,143)
Cash and cash equivalents brought forward		4,529,591	5,269,734
Cash and cash equivalents carried forward		4,646,853	4,529,591

The attached notes on pages 29 to 42 form part of these financial statements.

SOS CHILDREN'S VILLAGES UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2015) - (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 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, 2018, the most significant area of uncertainty is the ongoing support in the form of individuals and corporate donors.

The financial statements were not consolidated with the charity's subsidiary in Hong Kong on the basis of materiality and significance.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 27. 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 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.

An estimated value for gifts of donated medical goods is included in special projects income and direct charitable expenditure. The value is determined by a multiple of freight costs incurred in shipping them to projects.

The value of services donated are included at a value equivalent to that which the charity would ordinarily incur on these services.

Donated assets are capitalised at a value equivalent to market value at the date of donation.

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 on a six monthly basis.

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.

Investment property is initially recognised at its transaction value and subsequently measured at fair value. Details of the basis of valuation are included in note 11.

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, being the closing market value rate. All other assets and liabilities are recorded at cost which is their fair value. Investments are also recorded at fair value.

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2017	Unrestricted funds 2017	Total funds 2017	Total funds 2016
	£	£	£	£
Gifts and donations	3,342,679	1,279,297	4,621,976	5,490,214
Legacies	700,000	441,467	1,141,467	926,087
Grants receivable	84,909	-	84,909	113,154
Income tax recoverable	-	519,880	519,880	674,412
Total donations and legacies	4,127,588	2,240,644	6,368,232	7,203,867

In 2016, of the total income, £2,542,117 was income from unrestricted funds and £4,661,750 was income from restricted funds.

3. FUNDRAISING INCOME

	Restricted funds 2017	Unrestricted funds 2017	Total funds 2017	Total funds 2016
	£	£	£	£
Supporters group	-	1,050	1,050	83,091

In 2016, of the total income, £2,186 was income from unrestricted funds and £80,905 was income from restricted funds.

4. INVESTMENT INCOME

	Restricted funds 2017	Unrestricted funds 2017	Total funds 2017	Total funds 2016
	£	£	£	£
Rent receivable	-	1,140	1,140	979
Bank interest receivable	-	4,089	4,089	11,178
	-	5,229	5,229	12,157

In 2016, of the total investment income, £12,157 was income from unrestricted funds and £Nil was income from restricted funds.

5. ANALYSIS OF EXPENDITURE – CURRENT YEAR

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £
Raising funds			
Costs of raising donations income	722,946	467,920	1,190,866
Charitable activities:			
Sponsorship and support of unsupported children and children's villages	5,287,681	363,561	5,651,242
Total expenditure	6,010,627	831,481	6,842,108

ANALYSIS OF EXPENDITURE – PRIOR YEAR

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £
Raising funds			
Costs of raising donations income	595,420	531,680	1,127,100
Charitable activities:			
Sponsorship and support of unsupported children and children's villages	5,395,214	377,773	5,772,987
Total expenditure	5,990,634	909,453	6,900,087

In 2016 £5,656,296 of total expenditure related to restricted funds and £1,243,791 related to unrestricted funds.

6. SUPPORT COSTS – CURRENT YEAR

	Raising funds 2017	Charitable activities 2017	Total funds 2017
	£	£	£
Personnel costs	217,251	141,362	358,613
Premises costs	121,147	78,828	199,975
IT & website costs	14,921	9,709	24,630
Other support costs	114,601	74,569	189,170
Governance (note 7)	-	59,093	59,093
	467,920	363,561	831,481

SUPPORT COSTS – PRIOR YEAR

	Raising funds 2016	Charitable activities 2016	Total funds 2016
	£	£	£
Personnel costs	286,223	186,242	472,465
Premises costs	118,674	77,219	195,893
IT & website costs	42,825	27,866	70,691
Other support costs	83,958	54,630	138,588
Governance (note 7)	-	31,816	31,816
	531,680	377,773	909,453

In 2016 £5,656,296 of total expenditure related to restricted funds and £1,243,791 related to unrestricted funds.

7. GOVERNANCE – CURRENT YEAR

	Raising funds	Charitable activities	Total 2017
	£	£	£
Audit fees	-	12,529	12,529
Legal fees	-	30,390	30,390
Staff costs in relation to Governance	-	16,174	16,174
		59,093	59,093

GOVERNANCE – PRIOR YEAR

	Raising funds	Charitable activities	Total 2016
	£	£	£
Audit fees	-	11,251	11,251
Staff costs in relation to Governance	-	20,565	20,565
		31,816	31,816

In 2016 £5,656,296 of total expenditure related to restricted funds and £1,243,791 related to unrestricted funds.

8. NET (EXPENDITURE) / INCOME

This is stated after charging:	2017	2016
	£	£
Depreciation of tangible fixed assets owned by the charity	4,972	2,465
Auditors' remuneration	11,930	8,250
Auditors' remuneration - non-audit	2,460	875
Operating lease payments for land and building and other equipment	188,346	182,614
Pension	17,313	23,705
Foreign exchange gain / (loss)	56,437	30,445

During the year, no Trustees received any reimbursement of expenses (2016 - none).

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	462,247	585,550
Social security costs	41,474	56,419
Other pension costs	27,275	23,705
	530,996	665,674

Included within wages and salaries above are severance payments to one employee totalling £34,500 (2016: £nil). The average monthly number of employees during the year was as follows:

	2017	2016
Administrative	13	16

The number of higher paid employees was as follows:

	2017	2016
In the band £60,000 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1

Total employers pension contributions in relation to the above higher paid employees was £13,483.

The key management personnel of the charity comprise of the Trustees and 2 others (2016: 2) being the Chief Executive Officer and the Director of Finance & Administration. No Trustees received any remuneration or benefits in kind from the charity (2016 - none). The total employee benefits of the key management personnel of the charity were £215,398 (2016 - £157,357).

10. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Total £
COST:		
At 1 January 2017	140,122	140,122
Additions	4,002	4,002
At 31 December 2017	144,124	144,124
DEPRECIATION:		
At 1 January 2017	127,622	127,622
Charge for the year	4,972	4,972
At 31 December 2017	132,594	132,594
Net book value:		
At 31 December 2017	11,530	11,530
At 31 December 2016	12,500	12,500

11. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
Cost	21,000
Revaluation surplus	79,000
At 31 December 2017	100,000
COMPRISING	
Deemed market value	100,000
Annual revaluation surplus/(deficit) 2017	-
At 31 December 2017	100,000

The property was valued by Strutt & Parker LLP in February 2017, on an open market value for existing use basis and the Trustees consider this to be a reasonable representation of market value at the year end date.

12. FIXED ASSET INVESTMENTS

	Listed investments	
	£	
MARKET VALUE		
At 1 January 2017		1,002,724
Additions		-
Unrealised gains on investments		97,468
Comprising of:	2017	2016
	£	£
Fixed interest	243,872	250,000
Equities	856,320	752,724
TOTAL MARKET VALUE	1,100,192	1,002,724
TOTAL HISTORICAL COST OF INVESTMENT	1,000,000	1,000,000

13. DEBTORS

	2017	2016
	£	£
Other debtors	103,127	115,371
Prepayments and accrued income	62,206	428,010
Tax recoverable	43,868	46,900
	209,201	590,281

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	66,069	10,203
Other taxation and social security	22,305	15,838
Other creditors	429,580	862,171
Accruals	1,138,768	565,701
	1,656,722	1,453,913

15. STATEMENT OF FUNDS – CURRENT YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	2,120,518	2,246,923	(1,595,525)	(278,775)	97,468	2,590,609
Investment property	100,000	-	-	-	-	100,000
	2,220,518	2,246,923	(1,595,525)	(278,775)	97,468	2,690,609

Statement of funds – Current Year

RESTRICTED FUNDS

Emergency Relief Fund	72,366	4,398	-	46,002	-	122,766
Malawi	231,066	651	(239,291)	32,648	-	25,074
Nepal	258,646	896	(264,623)	9,057	-	3,976
Philippines	149,068	114,281	(183,122)	24	-	80,251
Subsidy fee	350,446	-	(127,373)	(223,073)	-	-
Zambia	222,792	96,494	(239,012)	40,330	-	120,604
Gambia – The European Union	8,774	4,000	(46,742)	33,968	-	-
Guinea Bissau – Big Lottery Fund	17,963	109,909	(103,383)	1,192	-	25,681
Sponsorship fund	73,205	2,144,219	(2,144,219)	-	-	73,205
Africa – general	-	720,764	-	-	-	720,764
Other projects <£50k	1,176,339	931,976	(1,898,818)	338,627	-	548,124
	2,560,665	4,127,588	(5,246,583)	278,775	-	1,720,445
Total funds	4,781,183	6,347,511	(6,842,108)	-	97,468	4,411,054

15. STATEMENT OF FUNDS – PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	783,901	2,556,460	(1,243,791)	21,224	2,724	2,120,518
Investment property	100,000	-	-	-	-	100,000
	883,901	2,556,460	(1,243,791)	21,224	2,724	2,220,518

Statement of funds – Prior Year

RESTRICTED FUNDS

Emergency Relief Fund	46,623	-	-	25,743	-	72,366
Malawi	268,888	9,428	(47,250)	-	-	231,066
Nepal	291,284	7	(32,645)	-	-	258,646
Philippines	4,984	144,144	(199)	139	-	149,068
Subsidy fee	714,016	-	(155,777)	(207,793)	-	350,446
Zambia	118,354	67,559	-	36,879	-	222,792
Gambia – The European Union	-	34,590	(25,816)	-	-	8,774
Sierra Leone – Isle of Man	14,491	63,144	(84,839)	7,204	-	-
Guines Bissau – Big Lottery Fund	17,120	107,327	(106,484)	-	-	17,963
Sponsorship fund	237,540	2,284,131	(2,376,478)	(71,988)	-	73,205
Other projects <£50k	1,782,230	2,032,325	(2,826,808)	188,592	-	1,176,339
	3,495,530	4,742,655	(5,656,296)	(21,224)	-	2,560,665
Total funds	4,379,431	7,299,115	(6,900,087)	-	2,724	4,781,183

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.

The subsidy fee is derived from a proportion of sponsorship income and is used to help sponsored children in villages which SOS Children's Villages UK are directly responsible for or to cover unusual events which result in a fund being in deficit.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	11,530	11,530
Investment property	-	100,000	100,000
Investments	-	1,100,192	1,100,192
Current assets	1,810,445	3,045,609	4,856,054
Creditors due within one year	-	(1,538,129)	(1,538,129)
	1,810,445	2,719,202	4,529,647

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	12,500	12,500
Investment property	-	100,000	100,000
Investments	-	1,002,724	1,002,724
Current assets	2,560,665	2,559,207	5,119,872
Creditors due within one year	-	(1,453,913)	(1,453,913)
	2,560,665	2,220,518	4,781,183

In 2016 £5,656,296 of total expenditure related to restricted funds and £1,243,791 related to unrestricted funds.

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net expenditure / (income) for the year	(251,536)	401,752
Adjustment for:		
Depreciation charges	4,972	2,465
Gains on investments	(97,468)	(2,724)
Dividends, interest and rents from investments	(5,229)	(12,157)
(Increase)/Decrease in debtors	381,080	(25,494)
(Decrease)/Increase in creditors	84,216	(114,174)
Net cash provided by operating activities	116,035	249,668

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	4,646,853	4,529,591
Total	4,646,853	4,529,591

19. OPERATING LEASE COMMITMENTS

At 31 December 2017 the charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings:		Other:	
	2017	2016	2017	2016
	£	£	£	£
Expiry date:				
Within 1 year	144,000	144,000	3,586	3,521
Between 2 and 5 years	192,000	336,000	10,770	13,243
After more than 5 years	-	-	-	1,049
Total	336,000	480,000	14,356	17,813

20. RELATED PARTY TRANSACTIONS

At 31 December 2017, 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 £58,983 (2016 - £95,905) was received from a Pakistan Support Group. A Khan, a trustee of SOS Children's Villages UK 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 £4,404 (2016 - £6,530) and a net surplus of £1,621 (2016 - £2,336).



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