



# 2020 ANNUAL REPORT



SOS CHILDREN'S  
VILLAGES



# Contents

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# Welcome

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2020 was a year like no other. As the coronavirus spread throughout the world, and national restrictions came into force, the effects of the virus devastated the communities we work in, potentially reversing decades of progress in poverty, healthcare and education. But true to our mission to protect vulnerable children, our teams across the world sprang into action adapting our efforts instantly to meet the rapidly changing needs of the children we seek to protect.

Many of the children and families we support are particularly vulnerable to coronavirus, so our priority was to maintain their safety and ensure they did not slip further into extreme poverty.

Many people lost their jobs and had to rethink how to feed their families, relying again on hand-outs. Children we had supported to get into schools were once again at home, and often didn't have the access or resources to do their schoolwork remotely. Parents were heartbreakingly forced to make difficult decisions between buying food or soap.

From such a painful year, came incredible resilience too. Without delay, SOS staff provided safe places for homeschooling in Ghana for those without access to technology, taught communities to make face masks in Somalia and provided food and financial assistance to those in the slums of Kenya. They even succeeded, undeterred, in opening a youth employability training centre in one of the poorest regions of The Gambia and a community health centre in a remote part of Brazil.

From March 2020 our UK office went into lockdown and all our staff started working from home. We were very fortunate that despite the circumstances we were able to continue uninterrupted with our commitments to our beneficiaries and programmes.

We appreciate that many supporters experienced difficulties and had their own worries about their health and finances, and we are grateful for their continued support. We also want to thank the people of the UK for their immense generosity in responding to our coronavirus appeal.

It has been a challenging year, but through it all we have made a surprising degree of progress. With our donors' support, parents and young people are learning new skills, and embarking on promising new careers which is more important than ever in this post covid era.

Of course, none of this would have been possible without the generosity and dedication of our supporters and partners. Thank you for helping us to improve the lives of vulnerable children and giving them the opportunity to lead meaningful and fulfilling lives well into adulthood.

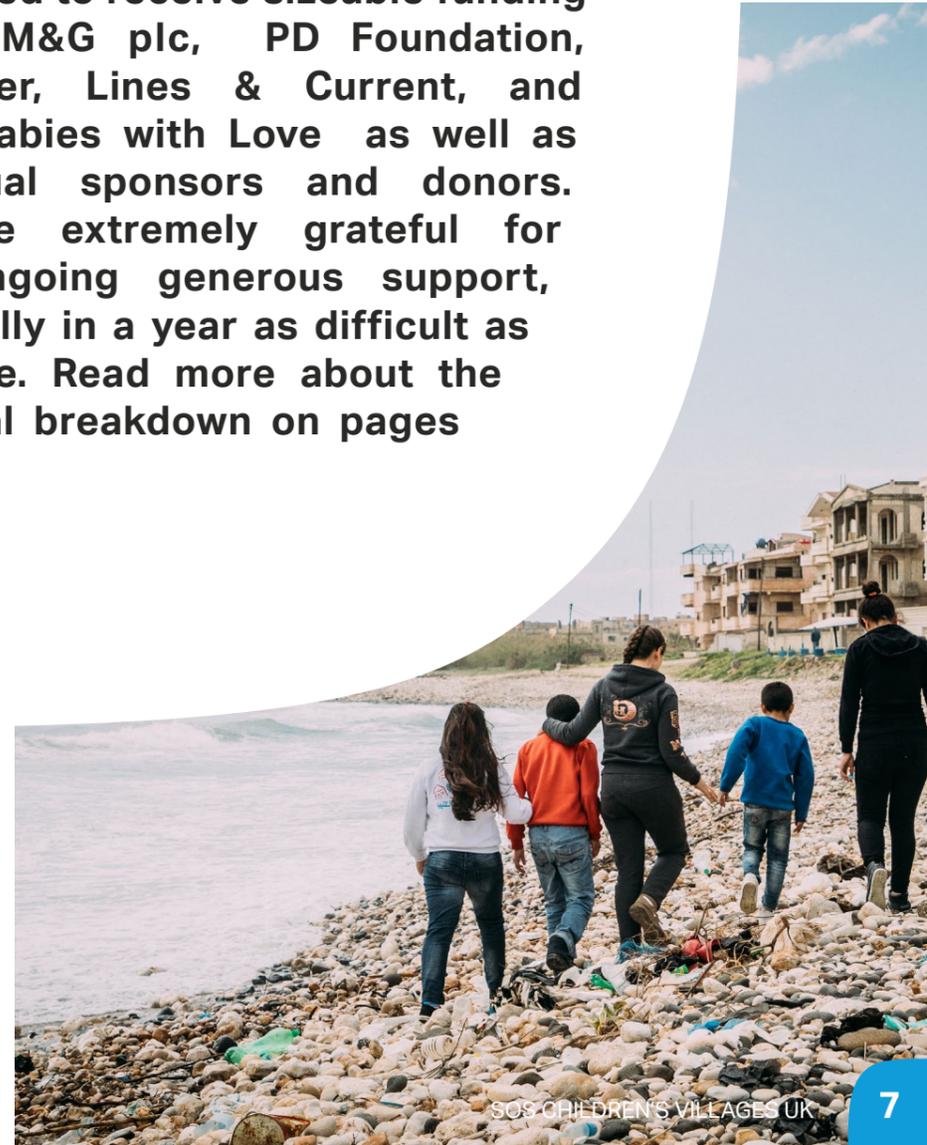
Alison Wallace  
CEO

Michael Brewer  
Interim Chair of Trustees



# Year in review 2020

In 2020, money from UK donors was raised through our child and village sponsorship programme, public donations, the fundraising efforts of community groups, charitable trusts and foundations, and voluntary income from corporate partnerships. We continued to receive sizeable funding from M&G plc, PD Foundation, DeMellier, Lines & Current, and From Babies with Love as well as individual sponsors and donors. We are extremely grateful for this ongoing generous support, especially in a year as difficult as this one. Read more about the financial breakdown on pages 64-66.



# Year in review 2020

Over the course of the year, funding went towards: maintaining and supporting SOS Children's Villages in Zambia and The Gambia; public health campaigns on the prevention of coronavirus as well as essential kit such as masks and disinfectants and urgent food rations or financial support to communities around the world; supporting young people in rural Gambia through a training and employability programme; providing green energy in Kara Children's Village in Togo; building a new SOS Children's Village in a remote region of Pakistan; the emergency response and subsequent support in Beirut following the port explosion; and a new community centre in the rural area of Araçoiaba in Brazil serving a once cut-off part of the country with much-needed health care and family support.

In April 2020, SOS Children's Villages UK launched its largest emergency appeal in recent years to ensure that those hardest hit by the global coronavirus pandemic could get the support they needed. Immediate requirements included protective health care equipment and infection control measures, food provisions, pedagogical and ICT support for home-schooling and emergency help for former SOS young people who were living independently before the crisis.

With schools and education centres closed and many SOS centres having to close in line with national restrictions, across the world, SOS acted quickly to reach communities with urgent food supplies as well as providing access to online lessons and workshops, keeping in touch with vulnerable families online or in person with protective measures in place, and providing the assistance they needed.

SOS Children's Villages continued to support families to stay afloat and enable them to keep their children safe. We also expanded our reach to accommodate the expected increase in the number of struggling families and children from the wider communities.

We adapted our efforts as the crisis unfolded and continue to work with children, young people and their families to help them get back on track once the pandemic is over. SOS Children's Villages UK is enormously proud of the contribution we made to this global effort due to the generosity of our supporters, who contributed a total of £4.2m to our appeal and other fundraising efforts.



# The impact of **COVID-19** on our work

While the COVID-19 outbreak was having far-reaching impacts on our partners and beneficiaries, here in the UK we were able to respond by quickly re-aligning our priorities to focus on maintaining our support for programmes and the people working in and benefitting from them and protecting our staff team.

With thanks to the generous support of our donors, we were able to commit our planned levels of support to villages, family strengthening programmes and training and employability programmes. Additionally, we were able to respond to two emergency appeals during the year:

- 1** For increased resources to respond to the COVID-19 pandemic and a total of £47k was raised. SOS Children's Villages UK was able to allocate a further £233k raised from its other fundraising activities to bring the total COVID-19 response funds to £280k. This was allocated to nine countries namely India, Philippines, Palestine, South Africa, Haiti, Thailand, Malawi, Zimbabwe and Syria.
- 2** To support the families and communities devastated by the massive explosion in Beirut in August. This is principally because SOS Children's Villages UK has a broad fundraising portfolio of regular and multi-year donations and does not rely on a retail offering or public fundraising events. These two last fundraising methods were particularly hard hit by the UK government's public health measures including lockdown restrictions.

As we look to the future, we will seek to partner with our sister SOS Children's Villages organisations to focus on local recovery and support the building of community resilience, such as training and employability programmes and economic empowerment.

With regards to the staff team, our office closed on 23 March 2020 in response to government advice that people stay at home to prevent the spread of the virus. All our staff team were able to work from home immediately, although over time we updated IT equipment for some individuals in order to improve their working experience. Due to earlier investment in cloud-based applications, the team was able to work together, remotely, with relatively minimal disruption.

However, our physical IT infrastructure required some in-person attendance. We were also able to make use of increased familiarity with videoconferencing to reach out to donors with a series of online webinars.

Staff were able to return to the office as lockdown restrictions were relaxed from 1 June, subject to a full risk assessment and the implementation of COVID-19 safe workplace requirements, principally mask wearing and social distancing. However, subsequent lockdown restrictions later in 2020 meant staff worked from home wherever possible.

We faced some increase in costs, for example to print and despatch a mailing to child sponsors normally undertaken by villages and to make our office COVID-19 safe, but these were outweighed by office cost and other administrative savings.

Looking to the future, we will continue to invest in cloud-based systems to support access, cost effectiveness and security. In particular, we are investing in a cloud based, and more productive CRM and finance system.



**In 2020 SOS Children's Villages UK raised funds that supported vital work carried out by our colleagues from the SOS Children's Villages Federation around the world.**

## SOMALIA

# Mother & Child Hospital

Thanks to long-term partners DeMellier, for their generous donation to the SOS Mother and Child Hospital in Mogadishu in 2020, we were able to help cover some of the immense gaps created by coronavirus in the community. As well as its patients, the SOS Mother and Child Hospital serves Somalia's refugee camps and slums. Somalia has 1.7 million people who have been internally displaced by conflict, insecurity, forced evictions, droughts and floods, most of them living in refugee camps. In 2020, the team worked overtime to distribute much needed medical treatment and nutritional support to toddlers and babies, sticking to strict social distancing rules throughout at the designated distribution points. They set up isolation stations, sent home older employees and introduced admission controls at the clinic gates, as well as reducing visitors to enable them to continue their work safely.

In Somalia, access to even the most basic healthcare is severely limited due to violence and insecurity as well as a lack of basic infrastructure, and the cost of face masks rocketed from \$2 per pack to \$50 making them financially unviable for the hospital. The team faced huge challenges in controlling and preventing the spread of the virus amongst staff and the communities accessing its services. Undeterred, they set about making their own face masks with locally available materials which they also distributed to the Ministry of Health and the local community enabling them to protect themselves and their patients and continue to educate the community about coronavirus prevention.



## THE GAMBIA

# Youth Training & Employability Programme

In February 2020, as part of our Youth Training and Employability Programme, the vocational training centre in the Upper River Region (the poorest part of The Gambia) opened its doors for young people to access training and employability skills. The programme is generously majority funded by PD Foundation, and co-funded by corporate partners Lines & Current and Cambridge Assessment.

The five-year project aims to empower 1,000 young people with training and employability skills to help them build sustainable livelihoods. 201 students were enrolled, 60% of them female and six with disabilities. As well as their respective vocational training courses, the students attended basic maths and English lessons and received entrepreneurial skills training in financial literacy, and soft skills training in how to present at an interview, write a CV and work effectively as a team. All courses are accredited by the National Accreditation and Quality Assurance Authority (NAQAA) ensuring that young people achieve nationally recognised qualifications. Due to coronavirus the training was suspended after six weeks and the centre closed for six months in March 2020.

During the closure, training instructors and project staff continued to maintain contact with students especially those at risk of dropping out, and women and girls who were at risk of gender-based violence and psychological stress. SOS The Gambia teams maintained regular contact with primary caregivers and families to support young women to continue with their training once the centre reopened. Once lockdown restrictions were eased, any young woman that was identified as 'high-risk' of drop-out, was visited by the project team and psychosocial support was offered to them.

Restrictions on educational facilities were lifted in October 2020 and the centre successfully reopened and continues to deliver vocational and employability skills training for young people in rural Gambia.



### Ena's Story

Ena was born in a small village. Her family were seasonal farmers and only had a reliable income for a few months every year. She lost her father, the breadwinner in the family, five years ago. Since then, she has become the head of the household and had to manage the small farm along with trying to keep up with her studies. She dreamed of joining the local police force, but she could not get the grades she needed. She was unable to finish her education and married at a young age.

Now separated from her husband, she looks after her elderly mother and two young children. She heard about the Youth Training and Employability Programme through a friend. She joined the programme in January 2020, enrolling on to the sewing course and looked forward to improving her literacy. She now dreams of becoming a fashion designer and having her own business.

**"I want to earn enough to provide for my children and my mother. I want to take this opportunity to learn skills and become self-reliant. I want to show my ex-husband that without him I can look after myself, my children and my mother."**

## TOGO

# Green Energy Project

With thanks to generous donors we were able to fund the construction of solar photovoltaic mini stations providing reliable green energy to the village community in Kara, Togo.

The Kara region is one of the poorest in Togo. It is estimated that 75% of the population live in poverty. The infrastructure is in dire need of updating and about half of the population does not have clean water to drink. Struggling families face continuous barriers to accessing healthcare and sending their children to school.

Togo has long been faced with limited access to electric power and endemic electricity shortages with only 28% of the population having access to electricity, far below the already poor West African average of 40%.

Building photovoltaic mini stations to power family homes will have a significant impact on the lives of the children within SOS Children's Villages Kara, mainly that continuous lighting extends the studying hours for children and provides internet access for them to study. It will also help women and children feel safe in the dark, extending playtime and enabling women to go out without fear. The photovoltaic plants can also power water pumps to fill the water tower in the village.

With improved and consistent electricity, research has shown that children's interest and performance in school improves, households have fewer respiratory ailments from burning coal or wood indoors and fewer accidents.



Image taken at the SOS Children's Villages ReBuild programme in Uganda which uses green energy sources similar to the project in Togo.

## SRI LANKA

# Family Strengthening Programme

In 2020, PD Foundation continued to support the Family Strengthening Programme in Nuwara Eliya, Sri Lanka - one of the poorest districts most affected by the 26-year civil war.

Sri Lanka imposed heavy restrictions on movement during the pandemic, the effect of which was disproportionately felt by the poorest people who depend on daily wages to support their families, such as the tea pickers, the vast majority of whom are women. The lockdown resulted in the loss of income which has meant that many female-headed households were struggling to meet the basic needs of their families.

The Nuwara Eliya Family Strengthening Programme included providing ration packages with rice and canned goods, hygiene and sanitation supplies, financial assistance to parents and caregivers who had lost their jobs and once lockdown was eased, skills training to get them into work again.

To support children's remote learning, SOS Sri Lanka launched the 'Text2Change' programme providing educational content via SMS. They also helped parents and caregivers access specific advice on 'parenting during a pandemic' whilst updating them on schoolwork at a time when it was still challenging for SOS staff to visit communities in person.



## CORPORATE PARTNERSHIP

### M&G plc

Many of our programmes are only made possible by the generosity of our corporate partners such as M&G plc. In 2020 M&G plc and SOS Children's Villages UK embarked on a three-year partnership to strengthen families and empower young people with the skills they need to find sustainable employment. They are supporting SOS programmes for families struggling to get by in Italy, Poland, India, France, Germany, and Spain.

Last year, M&G plc directly supported 28,272 children, young people and parents. The partnership has enabled families to support their children emotionally and academically. SOS also ran activities to integrate families into the community and lead independent lives. Additionally, the partnership has directly empowered 950 young people by providing training and vocational skills.

M&G's contribution towards the national family strengthening and youth employability programmes supports approximately 121,000 families and young people annually.

**"I have come a long way to build myself as a man, I have been able to turn away from those who would bring me down and turn towards those who could help me. Meeting SOS Children Villages was a key trigger in my life. I was able to share a lot of things, identify my priorities and find success."**

- Hugo, 24, Youth Programmes, France

In February 2021, M&G plc will start a virtual mentoring programme, 'YouthLinks' for young people in India with ten M&G plc employees from India and the UK virtually mentoring 20 young people from India.

YouthLinks digitally connects young people aged 16-25 in SOS programmes with mentors from the corporate world. Over eight weeks, the mentors work with them covering a range of employability topics including CV writing, job interviewing, resilience, and confidence-building. Ultimately enabling them to become active members of their communities.



## PAKISTAN

# New village at Rawalakot

SOS Children's Villages is constructing a new village in Rawalakot, a mountainous region near the Kashmir border which will be the 15th village in Pakistan. Localised coronavirus restrictions slowed the construction of the village, and further delays were caused by torrential rains and snowfall. Despite these difficulties, good progress has been made and the construction is on track to be completed by summer 2022.

The Children's Village will provide homes for up to 100 children and around 12 SOS mothers. SOS Pakistan is constructing ten family homes, guestrooms, a director's residence, an administration block and a student activity area.

Meanwhile, at the other village communities in Pakistan, and with thanks to our generous Pakistan supporters here in the UK, the SOS teams took steps to lessen the spread of the virus by providing families and staff with appropriate protective equipment and hand sanitiser, as well as offering regular health checks and online meetings where possible.



Year in review 2020

## INDIA, THE GAMBIA, ZAMBIA

# Support through Sponsorship

In 2020, the largest number of UK sponsors supported SOS Children's Villages in India, The Gambia and Zambia. Here is just some of the amazing work they have supported.

Throughout the pandemic, SOS Children's Villages adhered to the World Health Organisation's advice on coronavirus and whilst in lockdown provided online learning for children and extracurricular activities within the villages such as yoga, art, cooking and gardening to maintain the children and staff's physical and mental wellbeing, with the older siblings often assisting the younger ones with their learning.

The villages continued their Family Strengthening outreach programmes assisting families who had lost their livelihoods due to coronavirus with financial support and food aid as well as skills and financial training to assist them to secure loans and start their own businesses, beginning their recovery and securing their futures and those of their children.

In Alwaye-Cochin, India, Saritha Madhu\* was supported by the SOS self-help group through the pandemic. Her husband lost his job due to the lockdown and Saritha took over as the family breadwinner. Assisted by the SOS Income Generation Program Support (IGP) she started a hen rearing business and sold eggs locally.

In Bangalore, India, Nadiya's\* husband lost his job as a cook and the couple quickly felt the pressure in their relationship. SOS's Family Strengthening Programme provided counselling to help them manage their challenges. Nadiya's husband started his own mobile food service, and the programme helped Nadiya leave her low paid job as a housemaid and take up a job as a Home Guard for the Indian government. During her free time, she supports her husband to run the mobile canteen.

In Chennai, India, Parameswari\* who lives with her mother and children – her husband left a long time ago - lost her job during the lockdown. She joined the SOS Family Strengthening Programme which helped her with a self-help group and with skills training in tailoring. She is now a skilled tailor supporting her family with the money she now makes.



In Greenfields, India, Radha\* lives with her four children and her husband. She worked as a daily wage earner. However, her income was not sufficient to feed the family of six. With the help of the SOS Family Strengthening Programme, her husband has started an electric item shop while Radha earns an income through tailoring and cutting clothes. She now owns her own boutique training other women in the community.

In Kolkata, India, Saundarya\* is part of the SOS self-help group. She is a mother of two children and lives with her husband who has a disability. With the help of SOS, she received a van rickshaw and started a vegetable business.

In Trichur, India, Indira\* has two children. Her husband Mrinal was the only breadwinner in the family. His work was to collect medicinal plants from the forest and sell them in town, but the government lockdown restrictions severely impacted his work. Indira and her family were struggling to meet the basic needs of their children. The SOS Family Strengthening Programme enrolled Indira in the self-help group and provided the finance she needed to open a grocery shop.

In Varanasi, India, Virendar\* is a father of five and a daily wage earner who works at a construction site. He would go to the city every day to find work. When the government imposed the lockdown, Virendar lost his job. When SOS heard about the situation of the family, they provided rations and sanitisation products. Now lockdown has been lifted, Virendar has started earning again and his wife, Geeta, is also planning to start sewing for work.

In Basse, The Gambia, Faye Nyama\*, who came to the SOS Children's Village as a child, collected funds and bought face masks for the vulnerable and for patients in hospital. Faye started helping people in the community around her school when she was thirteen. At fifteen, she joined the peer health club and is now a social worker with her own charitable foundation.

In Chipata, Zambia, Nermon\* joined the Skills Training Institute with the help of the SOS Family Strengthening Programme. He has a passion for computer skills and business management and after completing his training, the SOS team helped him with a small grant to kick start a business of his own. He bought two computers, a printer, a binding machine and a scanner and opened up a little shop, the first of its kind in his village. His business has been growing steadily and he now offers lessons to other young people interested in learning how to use computers and the internet. Some of the older members of his community have also taken an interest and come for lessons. Nermon can now send his four siblings to school and help his parents with their farm.

*\*All names have been changed*



# LEBANON

## Beirut Explosion

SOS Children's Villages has been active in Lebanon since the 1960s assisting children and families through the country's many upheavals. On the 4 August 2020, the country was once again shocked, this time by the Beirut Port explosion killing hundreds, injuring thousands and leaving many children and families homeless.

Lebanon had already been experiencing political and economic turmoil when disaster struck. The effect of the economic collapse and hyperinflation, along with the lack of accessibility to savings in banks, rising unemployment, and coronavirus lockdowns has devastated families, with even middle-income families struggling to meet their most basic needs. In addition, the pandemic has added an additional strain to an already stretched healthcare system.

In the immediate aftermath of the explosion, SOS teams on the ground provided urgent food, medical aid and shelter to vulnerable families supported by its fundraising efforts in the UK.

SOS continues to support families to pay for shelter, food, living expenses, school fees, laptops for distance learning, internet fees and medical expenses for injuries caused by the explosion, as well as supporting children in need of alternative care.



# BRAZIL

## The Lis Mosekilde Centre

'The Lis Mosekilde Centre' opened its doors in Araçoiaba, Brazil in December 2020, made possible by a generous £350,000 donation from Michael Hewitt in honour of his late wife, Professor Lis Mosekilde. The community and health centre, is affectionally known locally as the 'Lis Centre'.

Inspired by a mailing Lis received from SOS one Christmas, the couple chose to donate to Brazil and specifically to Araçoiaba because of the dire need in this rural community which suffers from a lack of access to quality nutrition, and little government support. The work of SOS in making home visits, checking vaccination cards, conducting health and wellbeing interviews, and creating individualised Family Development Plans has been instrumental in helping health professionals monitor and support local families during the coronavirus pandemic and resulting lockdowns.

With the onset of the pandemic, SOS Brazil quickly adapted its work and explored new ways to reach and work with families. Their online workshops have been very successful, enabling the creation of new tools to engage children and adolescents. Furthermore, using video calls and WhatsApp messaging has helped them monitor and support families, during periods when house visits were not possible. The local team learned to plan and create video content to be used for online activities and conduct community meetings using social media.

The Lis Centre aims to have a direct impact on the lives of 1,000 adults and 2,500 children over the next three years. By the end of 2020, 500 adults (90% female) and 550 children had already received health assistance, nutritional meals, education support, help with access to public services and advice on family development and employability. In addition, 120 home visits were made during lockdown to 92 families (approximately 460 people) to identify the main social and health needs in the community as well as to promote the Centre's services.

Amongst the children supported by the SOS team during the coronavirus lockdown and school closure, the team reached 250 through daily video activities and 150 through home visits and health assistance appointments.

In a very short time, the 'Lis Centre' has embedded itself firmly in the hearts of the Araçoiaba people. It has become known as a welcoming and safe place for people in need – and a fitting memorial to Professor Lis Mosekilde.



Year in review 2020



## KENYA

# Hunger & COVID-19 prevention in the slums

For those living in Kenya's urban informal settlements, direct and indirect negative impacts of the pandemic and the resulting government policies have had a devastating consequence on livelihoods. As the virus continued to spread, popular measures such as curfews, lockdown, and working from home ignored the living and employment conditions of slum dwellers, many of whom were left to choose between life and livelihood.

For many in the slums, the choice was stark: soap to wash or bread to eat. SOS teams on the ground distributed groceries to families in the slums and paid residents to sew facemasks thereby providing an income for them in lockdown. In addition, they have helped families learn to make soap. With additional funds from our supporters, given in response to our emergency appeal, SOS Kenya also helped families with start-up loans and counselling to help them rebuild their lives.

## GHANA

# Family Strengthening Programme

At the height of the coronavirus pandemic in 2020, SOS Ghana initiated a solidarity fund that saw all 268 families in the Family Strengthening Programme, including vulnerable households in the community, receive assorted food items such as rice, maize, chocolate powder, sugar, 'garrri' (a type of cassava) and tomato puree among many other items.

In addition, financial support was provided to 50 parents facing the most significant hardship to help them buy more food supplies for their families. 49 other caregivers received more grants to boost their businesses that had been weakened by the economic effects of the pandemic.

SOS teams carried out coronavirus health awareness campaigns through posters, radio engagements and community outreach and through the solidarity fund, 1,374 children and 318 parents received facemasks, and 370 bottles of sanitisers were distributed.

Furthermore, 15 families benefitted from e-learning tools to enable children to access teaching online. Whilst schools were closed, SOS educated 900 children in eight centres set up for homeschooling in five different communities.



# Child Safeguarding

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

In 2020, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. In addition, we continue to promote our requirement that programme visitors, such as child sponsors, undertake a suitable background check and briefing prior to visiting a programme location.

Following on from two safeguarding incidents which were reported to us by the International Federation in 2019, relating to a programme funded by SOS Children's Villages UK in The Gambia and employees of SOS The Gambia, in 2020 the Board of Trustees reported to the Charity Commission under the Commission's serious incident reporting process. In response, the Charity Commission requested more information and over a period of two months, SOS UK worked with the regional office and location staff to answer the Charity Commission's questions. Within the SOS Federation, we shared this experience widely to ensure that, as a federation, we are able to provide regulatory bodies with sufficient answers, and that we are rigorous in the steps we take to document safe recruitment processes and strong child safeguarding measures. This was reported in the SOS Children's Villages International annual report on safeguarding which can be found at the link below.

SOS Children's Villages UK is part of the SOS Children's Villages International Europe and North America child safeguarding network to share learnings and best practice.

In 2020, 65,600 children were in the direct care of one of our sister SOS organisations, compared with 65,000 in 2019, and more than a million were taking part in programmes delivered as part of our community-based activities, including projects supporting children and families in emergency situations, outside our village communities. Many of the children and young people in these programmes have faced traumatic family environments and are therefore particularly vulnerable. The latest SOS Children's Villages International annual report on safeguarding can be found here:

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# Achievement of objectives

We set ourselves the objectives for 2020 to:

- Respond to the immediate COVID-19 pandemic related needs of children, families and communities in our programmes, including the children and their families in the Chipata and Basse village locations by allocating at least £250,000 of funds to the global SOS Children's Villages appeal.
- Support the post pandemic recovery and resilience of more children and their families by providing mentoring, training and other forms of support, including children's access to online learning, through education, youth employability – and livelihoods programmes, and by supporting our emergency relief activities, such as the support provided to families in Beirut following the devastating explosion, reaching more people than in 2019.
- Advocate for funding and resources for education and employability training for young people as part of COVID-19 recovery and the UK's support for the Sustainable Development Goals with the aim of securing a funding commitment from the UK government.
- Invest in our fundraising operation and systems to broaden and grow our voluntary income; this also means we can secure the necessary resources to flexibly meet the needs of the children, families and communities we support through SOS programmes with the aim of increasing our unrestricted income to 40% of our total income.

We contributed £47k to the emergency COVID-19 appeal and pledged a further £233k. Funding was allocated to nine countries. These funds have been used in 2021 by India, Philippines, Palestine, South Africa and Haiti to support COVID-19 relief measures, such as providing PPE equipment, hand sanitisers, food, safe water and other forms of direct support to vulnerable families in our community-based programmes and Children's Village communities, while ensuring children could access remote learning options and SOS programme staff were safe. Funding applications are expected in 2021 from Thailand, Malawi, Zimbabwe and Syria.



We were further able to support the first stages of pandemic recovery and resilience in SOS Children's Village Communities in Basse, The Gambia and Chipata, Zambia, directly benefiting 215 children. This, coupled with our outreach work in Basse and Chipata supporting vulnerable families and young people, directly supported 1,898 children and families. With the help of the PD Foundation and other donors, we were, in addition, able to launch a new Youth Employability Centre in Basse and continued to support the young people enrolled in this programme remotely following lockdown. Over a period of five years, we aim to support 1,000 young people through this programme, helping them to learn the skills to find employment, connect them with local businesses for apprenticeships or set up their own businesses. Please see pages 14-15 for further details.

When a large explosion took place in Beirut with devastating effects on the population, we were able to allocate £18k to provide support to children and families in urgent need of support.

With the outbreak of COVID-19 in the UK and the re-structuring of the Department for International Development to create the Foreign, Commonwealth and Development Office (FCDO), we decided to reduce our investment in advocacy and policy work in the face of significantly reduced government engagement with international development and humanitarian needs. We continued to support sector wide campaigns on the structure and resourcing for the new FCDO, including the campaign to restore the 0.7% of GDP target for international aid spending.

We began a process of strengthening our fundraising operations, aiming to increase our activities, broaden our donor reach and strengthen our systems to operate more efficiently. This included commencing the recruitment of fundraising staff in areas where we saw opportunities to grow income from the public, secure corporate partnerships and further develop relationships with grant making organisations, while raising awareness of SOS's work through improved digital channels. At the end of 2020, unrestricted income was 39% of our total income, slightly short of our target of 40%. This was in part due to additional restricted funds raised for two emergency appeals during the year for our responses to the COVID-19 pandemic and the Beirut explosion.



## Future plans and objectives for 2021

We have set the following objectives for 2021:

- Continue to support the post-pandemic recovery and resilience of children and their families with a focus on education and employability programmes; by supporting families through initiatives that benefit parents as well as their children; and incorporating livelihood-related activities; and amplifying our impact by increasing the number of children, families and communities we support.
- Continue to support children and young people in the village communities of Basse, The Gambia and Chipata, Zambia.
- Continue to support youth employability programmes, including a five-year youth training centre in Basse, The Gambia.
- Work with our partners at SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to the safeguarding of children, young people and staff.
- Continue investment in our fundraising operation, including improving our systems, thereby increasing the support we can provide to SOS programmes and ensuring we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.

# Thank You All

**Canadian Affair / Air Transat**

**City Football Group**

**Deen Relief International**

**DeMellier**

**Denise Ballard**

**Esther Baroudy**

**From Babies with Love**

**Ian & Wendy Hutton**

**Lines & Current**

**M&G plc**

**Michael Hewitt & Professor Lis  
Mosekilde MD, D.Sc(Med)**

**Milton Damerel Trust**

**Mr and Mrs J Ardron**

**PD Foundation**

**Radisson Hotel Group**

**SOS Pakistan Supporters' Group UK**

**Subsea 7**

We thank all of our supporters and partners, including those who wish to remain anonymous, for their generosity and commitment to our programmes. The kindness and support shown by supporters in what was an incredibly difficult year for everyone was truly inspiring and we are immensely grateful for it.

All donations help us make a difference and ensure that children everywhere can grow up feeling safe, loved and supported.

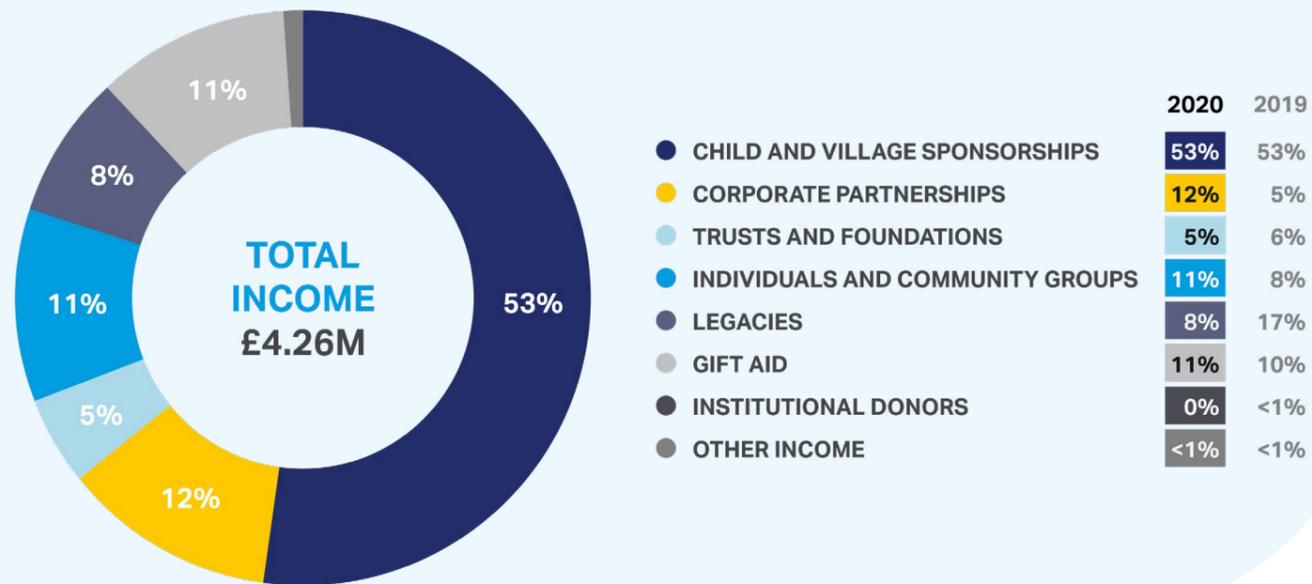
We also wish to extend a warm thank you to those who have raised awareness of our work and who have fundraised by taking part in challenges, quizzes – many of which took place online – and other activities.

We further want to remember and acknowledge all those far-sighted supporters who kindly left a gift to the work of SOS in their Will. Their legacy continues to make a lasting impact to the lives of children, their families and communities.

**Thank you, all, for your kind support.**



# Financial Performance



## INCOME

SOS Children’s Village UK showed resilient performance in the face of the COVID-19 pandemic and was able to raise £4.26m in charitable income in 2020 compared to £4.56m in 2019, representing a 7% fall in income. As expected there has been a decrease in our income as corporate partners and individual donors experience the effects of the pandemic on their organisations, personal lives, and disposable income. The consistent supporter loyalty and generosity at a time where they themselves were going through difficult times resulted in lower-than-expected attrition levels.

Our main sources of funding came from grant funding, corporate partnerships, legacies, and donations from individual donors including child and village sponsorships which is the financial backbone of the Charity. The generous contributions of our supporters, continue to enable us to remain financially resilient as we invest in the future stability of the Charity and increase our reach and impact.

## HOW WE RAISE MONEY

We are registered with the Fundraising Regulator and a member of the Chartered Institute of Fundraising (CIOF) and as such abide by the Code of Fundraising Practice. In line with this we work in close partnership to build the best possible relationships with our donors, supporters, grant making organisations and corporate partners, and with our SOS programme teams aiming for accountability and transparency in all that we do. Reflecting this commitment, we regularly monitor our own compliance and review our practices in line with the General Data Protection Regulation (GDPR), which came into effect in May 2018. In 2020, we have continued to ensure open dialogue and clear lines of communication with our donors. This has included the prompt and transparent reporting of any challenges, delays or other obstacles experienced as part of the programme implementation process, while ensuring timely reporting against agreed project performance indicators. Our work is complex, and where we face challenges, we report these openly.

When supporting individual fundraisers, we provide them with an agreement making clear how they should promote their activity, how to fundraise effectively and without undue pressure, how the funds raised will be spent, and ensuring they are informed of their obligations to conduct fundraising in line with our values and to the highest possible standards. They are given a named contact at SOS Children’s Villages UK to support them and answer any questions. 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 fundraising activities have taken place and ongoing dialogue.

All fundraising staff receive thorough training in how to identify and protect people. If we encounter someone showing signs of distress, confusion or vulnerability, our staff are trained to politely end the conversation and refuse any donation offered.

We also work with a small number of corporate sponsors who operate in a way that does not commit undue pressure on a person to donate, seek unreasonable intrusion on a person’s privacy or is unreasonably persistent in their actions so as to protect vulnerable people, as reflected in our written agreements with our partners.

Corporate sponsors include:

- Lines & Current donate 10% of profits to SOS Children’s Villages UK every year, donated quarterly.
- DeMellier donate £2 per bag sold with a retail value greater than £400, £1 per bag sold with a retail value between £250 and £400 and £0.20 per small leather good or bag sold with a retail value below £250. Donations are paid annually.
- Humble Warrior donate 2% of its revenues annually. Donations are paid annually.
- Blue Cap Coffee donate 1% of retail sales annually. Donations are paid annually.

All partnerships are formalised with a signed written agreement and activities are monitored jointly, including quarterly review meetings. SOS Children’s Villages UK is not aware of any complaints raised regarding any of the above activities.

All employee fundraising activity is monitored with regular review meetings with corporate partners and supporters, ensuring they are compliant with the Fundraising Regulator, GDPR and any other necessary insurance policies, in line with best fundraising practice. SOS Children’s Villages UK is not aware of any complaints raised regarding any employee fundraising activities.

As reported in last year’s Annual Report, in 2019, our Board signed off on a new Ethical Partnerships Policy, which sets out the criteria determining whether we can accept donations. As part of the implementation process of this policy, we ended our relationship with two corporate partners as they did not meet these criteria. In 2020 we further developed our Ethical Partnership Policy to include reference to companies deriving more than 30% of their revenue or capital in the last fiscal year from producing video games not suitable below the age of 16 according to the Pan European Game Information (PEGI 16 and PEGI 18), including online games. Further information can be found on our website:

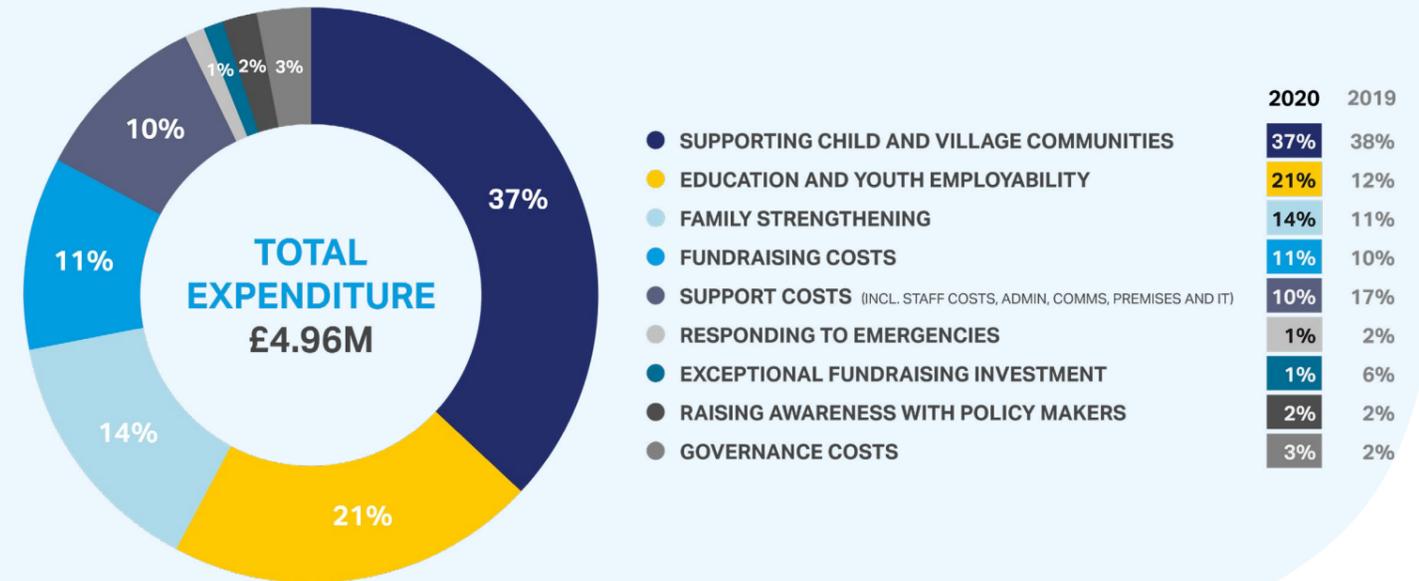
We received 100 complaints in 2020, showing an increase of 35 compared to the previous year. The great majority of these related to the quality of the content child sponsors received directly from our sister organisations in relation to individual sponsored children. One of our core values is that we are a learning organisation. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

Following the outbreak of the COVID-19 pandemic and subsequent lockdown in the UK in March 2020, we carefully examined the impact the global crisis was likely to have on our donors’ ability to continue supporting us. As a result, we reviewed our fundraising activities and charitable income. We did not engage in public facing fundraising activities such as Face-to-Face or Door-to-Door at that time.

As part of our three-year strategy, we have developed a balanced income portfolio, which does not rely on one or two income streams alone, and this strengthened our resilience in the face of the evolving situation. We were overwhelmed by the understanding and reassuring messages received from our supporters, many of whom renewed their commitment to our work during the crisis, as shown in the donations received in response to our emergency appeal, launched in April 2020 in aid of SOS programmes that faced additional needs. The appeal raised £43k and, along with funds we had already received as part of other fundraising activities, we were able to allocate £233k to support activities in nine countries as part of SOS Children’s Villages global COVID-19 response.

If you have any questions about any aspect of our fundraising, please don’t hesitate to get in touch with Susanne Owers, Director of Fundraising, at

## EXPENDITURE



Expenditure in 2020 was £4.96m, a reduction of £93k/2% compared to £5.05m in 2019. Higher than anticipated sponsorship income raised during the year made it possible for transfers to be sent to over 100 countries including The Gambia and Zambia to support children as part of the village communities. However, in line with SOS Children’s Villages 2030 strategy, which increasingly focuses on the prevention of situations in which children are at risk of losing parental care and the provision of long-term, sustainable solutions, we are working towards increasing our collaboration in family strengthening programmes and youth employability, while supporting children at risk through disasters and emergencies.

The ongoing cost of raising funds decreased by 6 % in the wake of COVID-19 as some fundraising activities were put on hold.

SOS Children’s Villages UK recognised the need to expand its offer beyond child sponsorship to appeal to new audiences with differentiated propositions, with a focus on finding a new unrestricted regular giving product. In 2019 we launched a large-scale fundraising investment project to increase SOS UK’s unrestricted income, as well as raising our UK brand profile and developing a clear articulation of the work we do and how we make a difference to children and families around the world. Funding for this investment has been secured from the combination of using our reserves and securing a 5-year grant of £1.56m from our fellow SOS Children’s Village Federation member (HGFD) to achieve our ambitious income targets.

We have adopted a phased approach, initially focusing on defining our target audiences and proposition development, then testing this and ensuring our assumptions are validated, while ensuring our narrative is authentic and supported by those who

deliver and benefit from our programmes. These steps have informed and shaped the test campaign phase, which focuses on widening the support from individual donors through a new, lower cost, unrestricted proposition. However, once the full impact of COVID-19 was known we felt that in the short-term this was not an appropriate nor viable time to be trialling a new proposition and we temporarily put the test on hold. This work will resume at the beginning of the next financial year, to be delivered in the first half of 2021. Using widely available industry information on recruitment and attrition levels, we anticipate the test campaign for proposition testing would return an increase to our unrestricted income of £205k by the end of 2021 (revised downward from £232k because of the unpredictable fundraising conditions during this pandemic).

## RESERVES

SOS Children's Villages UK has in the past experienced fluctuations in our income stream and with the impact of the pandemic unfolding these have the potential to be more volatile in the coming years. The Board of Trustees have therefore decided that the Charity should continue to maintain cash and readily realisable assets sufficient to fund between not less than 9 and not more than 12 months of running cost, at all times. In 2020 this equated to £1.5m - £2.0m, and as at 31 December 2020, this stood at £1.61m, equivalent to approximately 10 months' cover as required by the Board.

The Charity continues to maintain two designated funds which were created, at the discretion of the Trustees. The first fund is to support the proposed investment in our fundraising strategy from 2019, and the second fund is to protect against any potential foreign exchange loss. A small balance of £25k remains on the fund for investment in our fundraising strategy due to delays in launching the testing phase, compared to the 2019 balance of £61k. The provision for potential foreign exchange loss has been maintained at 5% of the annual value of our international transfers.

## INVESTMENTS

Investments are overseen by the Finance & Audit Committee. Professional Fund Managers have been appointed to invest in accordance with the UN Principles on Responsible Investment (UNPRI).

The Charity has two portfolios: an equity growth portfolio, and a short-dated corporate bond portfolio. In the first quarter of 2020 the global stock markets reacted to the COVID-19 pandemic with volatility and large drops in the value of investments. The value of the Charity's investments has also reduced

during this period as a result. The Charibond units were protected from this as they are predominantly comprised of government and corporate bonds. The Equities Investment Fund for Charities (Charifund) is made up of stock market investments, including some heavily impacted industries, and the value of these dropped significantly in March 2020 but by the end of December had nearly regained their value.

The total investment as at 31 December 2020 valued at £1,210k has not only regained value but was now £189k/18% higher than the previous year. At the end of 2019 the value was £1,021k for the same level of investment, £750k in Charifunds and £250k in Charibonds. Nevertheless, an unrealised loss of £114k was recorded in 2020.

## EMPLOYEES & VOLUNTEERS

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

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

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

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

There is a pension scheme available to employees.

# Risk Management & Internal Controls

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

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

The Senior Management Team identify and analyse risks relevant to their scope of activities, assess them according to the impact on the Charity and their likelihood of occurrence and report on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

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

RISK	MITIGATION STRATEGY
<b>Impact of global pandemic on cash flow, income and expenditure</b>	<ul style="list-style-type: none"> <li>Increased communication with donors to keep them informed about and connected to their sponsored children and/or projects.</li> <li>Launched COVID-19 emergency appeal.</li> <li>More frequent Finance &amp; Audit Committee meetings during initial lockdown period.</li> <li>Cash flow and income models produced for a variety of scenarios.</li> <li>Opportunities to reduce operating costs identified.</li> <li>Moved to smaller and less expensive registered office.</li> </ul>

RISK	MITIGATION STRATEGY
<b>Failure to meet income targets</b>	<ul style="list-style-type: none"> <li>Monthly management accounts reporting to SMT to identify challenges and take mitigating actions.</li> <li>Ongoing cash flow monitoring.</li> <li>Quarterly reporting to the Board of Trustees, including income and reserves projections.</li> <li>Investment in fundraising strategy to grow charitable income and spread risk and return across donor segments.</li> </ul>
<b>Reputational risk arising from the actions or omissions of other SOS Member Associations or the General Secretariat</b>	<ul style="list-style-type: none"> <li>Maintain close working relationship with General Secretariat Communications Team.</li> <li>Contribute to Secretariat Crisis Communications Planning. Establish and maintain good working relationships with key media outlets.</li> <li>Develop staff understanding of SOS work, strengths and challenges.</li> <li>Crisis Communications process rolled out to staff.</li> </ul>
<b>Short term changes to programming and priorities within the Federation impacting on funding relationships</b>	<ul style="list-style-type: none"> <li>Establish and maintain good working relationships with Federation Regional offices.</li> <li>Establish and maintain good working relationships with National Association Directors and Project Managers.</li> <li>Contribute to Federation discussions on programming and priorities.</li> <li>Keep donors informed.</li> </ul>
<b>Breach of legal and compliance obligations</b>	<ul style="list-style-type: none"> <li>Strong control procedures in place for approving financial transactions, GDPR, Health and Safety.</li> <li>Annual external audit.</li> <li>Regular Finance &amp; Audit Committee meetings reporting to the Board of Trustees.</li> <li>Expert staff in post, subject to regular review.</li> <li>GDPR and Child Safeguarding focal point on the Board.</li> <li>Legal advisers in place.</li> </ul>
<b>Child or vulnerable person safeguarding incident</b>	<ul style="list-style-type: none"> <li>Child and Vulnerable People Safeguarding Policy in place and implemented.</li> <li>Safeguarding Focal Point on the Board.</li> <li>Staff and Trustee training.</li> </ul>

# Structure, Governance & Management

## CHARITABLE OBJECTS

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

In 2020, SOS Children's Villages UK supported 5,229 children and 301 Children's Villages in which children without parental care live through a sponsorship programme funded by 7,805 supporters. In 2019, the figures were 4,886 children and 280 villages funded by 8,687 supporters. We did not actively promote sponsorship in 2020, and therefore had fewer supporters sponsoring than in previous years.

The children have access to quality education from kindergarten to secondary level in schools that are also open to the local community, thereby ensuring integration with their peers. Healthcare needs are either met within the village or are accessed by carers on their behalf within the community, where village facilities do not exist.

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

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

## FEDERATION

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

deliver and by building their capacity for programme delivery and monitoring.

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

## BOARD OF TRUSTEES

SOS Children's Villages UK is governed by a Board of Trustees, made up currently of eight members, who are legally responsible for directing the affairs of the Charity. The Trustees have full legal responsibility for the actions of SOS Children's Villages UK. They are also the directors of the company for the purposes of the Companies Act 2006.

Under the Charity's Articles of Association, new Trustees are appointed for a term of up to five years and may be reappointed for one further term of three years. Trustees are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background.

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

- The Finance & Audit Committee meets at least four times a year to review the Charity's annual financial statements, internal financial control and risk management systems and external and internal audit matters.
- A Human Resources Committee has been established in 2021 with the aim of overseeing the Charity's people management policies and best practice implementation. The Human Resources Committee will also lead the search and selection process for a new Chair. It meets four times a year and on an ad hoc basis as required.

The Trustees do not receive any remuneration for their services. The members of the company comprise all of the Trustees.

The Board of Trustees strives to meet the recommended practice for good governance set out in the Governance Code. In 2019 the Board undertook a review of its effectiveness using the Code as the basis for evaluation. In 2020 two new Trustees were appointed bringing programme development and governance experience, respectively, so as to expand the skill set and expertise of the Board

to better support the organisation's strategy for sustainability. After a competitive tendering process, an external recruitment agency has been appointed in 2021 to conduct the search process for a new Chair of the Board who will take over from Michael Brewer during the year.

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 accordance with the Pay Policy agreed by the Board of Trustees.

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## PUBLIC BENEFIT

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

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

## POLICIES AND PROCEDURES FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

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

## PRESIDENT

**Dame Mary Richardson DBE**

## BOARD OF TRUSTEES

### CHAIRPERSON

**Mary Cockcroft**, retired 13 December 2020

**Michael Brewer**, appointed interim Chair 13 December 2020

### TREASURER

**Matthew de Villiers**

### BOARD MEMBERS

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

**Graham Budd**

**Don Haszczy**

**Nicola Robert**

**Ian Briggs**

**Solava Ibrahim**, appointed 8 July 2020

**Susie Hargreaves**, appointed 8 July 2020

### COMPANY SECRETARY

**Clare Jenkins**, resigned 12 February 2021

**Begay Jabang**, appointed 7th April 2021

## ORGANISATIONAL DETAILS

### Registered office:

Ravenscroft House  
59-61 Regent Street  
Cambridge  
CB2 1AB

### Independent Auditors:

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

### Principal Bankers:

Barclays Bank Plc  
28 Chesterton Road  
Cambridge  
CB4 3AZ

### Solicitors:

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

## CHIEF EXECUTIVE OFFICER

**Alison Wallace**

## SENIOR MANAGEMENT TEAM

**Susanne Owers**, Director of Fundraising

**Clare Jenkins**, Director of Finance and IT, resigned 12 February 2021

**Catherine Weston**, Director of Communications and Brand

**Craig Mullaly**, Director of Individual Giving

**Begay Jabang**, Director of Finance and IT, appointed 11 January 2021

## 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.

**Company Registered No.** 03346676

**Charity Registered No.** 1069204

# Trustees' Responsibilities

## 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 2019 (FRS102).

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

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

In so far as the Trustees are aware;

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

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

Approved by the Board of Trustees on 7 July 2021. Signed on its behalf on 7 July 2021 by:



**Michael Brewer**

Interim Chair of Trustees SOS Children's Villages UK

# Independent Auditor's Report to the Members and Trustees of SOS Children's Villages UK

## OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'Charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK* and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

## OTHER INFORMATION

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

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

We have nothing to report in this regard.

## 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate and proper accounting records have not been kept for the charitable company, 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 Charity'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 Charity 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.

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

We gained an understanding of the legal and regulatory framework applicable to the Charity and how it operates and considered the risk of the Charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the Charity this included employment law, financial reporting and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting.
- We have reviewed any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

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## USE OF OUR REPORT

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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: 25 August 2021



# Financial Statements

## Statement of Financial Activities

(including Income and Expenditure account)

For the year ended 31 December 2020

	Note	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME</b>					
Donations and legacies	2	2,586,889	1,655,601	<b>4,242,490</b>	4,540,902
Other trading activities	3	-	-	-	1,067
Other income	3	-	17,512	<b>17,512</b>	-
Investments	4	-	5,004	<b>5,004</b>	16,000
<b>TOTAL INCOME</b>		<b>2,586,889</b>	<b>1,678,117</b>	<b>4,265,006</b>	<b>4,557,969</b>
<b>EXPENDITURE</b>					
Raising funds	5	-	1,068,287	<b>1,068,287</b>	1,413,904
Charitable activities	5	3,082,010	807,646	<b>3,889,656</b>	3,637,348
<b>TOTAL EXPENDITURE</b>		<b>3,082,010</b>	<b>1,875,933</b>	<b>4,957,943</b>	<b>5,051,252</b>
Net gains/(losses) on investments		-	(114,770)	<b>(114,770)</b>	188,798
<b>NET MOVEMENT IN FUNDS</b>		<b>(495,121)</b>	<b>(312,586)</b>	<b>(807,706)</b>	<b>(304,485)</b>
<b>Reconciliation of funds:</b>					
Total funds at 1 January 2020	14	1,337,611	2,153,901	<b>3,491,512</b>	3,795,997
<b>TOTAL FUNDS AT 31 DECEMBER 2020</b>	<b>14</b>	<b>842,490</b>	<b>1,841,315</b>	<b>2,683,806</b>	<b>3,491,512</b>

All activities relate to continuing operations.

The notes on pages 67-85 form part of these financial statements.

## Balance Sheet

as at 31 December 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	<b>20,737</b>	9,622
Investments & long term deposits	11	<b>1,097,793</b>	1,212,563
<b>TOTAL FIXED ASSETS</b>		<b>1,118,530</b>	<b>1,222,185</b>
<b>CURRENT ASSETS</b>			
Debtors	12	<b>865,018</b>	1,106,876
Cash at bank and in hand		<b>1,961,016</b>	2,476,974
<b>TOTAL CURRENT ASSETS</b>		<b>2,826,034</b>	<b>3,583,850</b>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts due within one year	13	<b>(1,260,758)</b>	(1,314,523)
<b>NET CURRENT ASSETS</b>		<b>1,565,276</b>	<b>2,269,327</b>
<b>TOTAL NET ASSETS</b>		<b>2,683,806</b>	<b>3,491,512</b>
<b>FUNDS OF THE CHARITY</b>			
Restricted income funds	14	<b>842,490</b>	1,337,611
Unrestricted income funds	14	<b>1,841,315</b>	2,153,901
<b>TOTAL CHARITY FUNDS</b>		<b>2,683,806</b>	<b>3,491,512</b>

The attached notes on pages 67-85 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 7 July 2021 and signed on their behalf by:



**Michael Brewer**

Interim Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

## Statement of Cash Flows

For the year ended 31 December 2020

	Total 2020 £	Total 2019 £
<b>Net expenditure for the year (as per the Statement of Financial Activities)</b>	<b>(807,706)</b>	(304,485)
<b>Adjustment for:</b>		
Depreciation charges	6,114	4,211
Donated assets	5,750	-
(Gain)/Loss on fixed assets disposals	2,003	-
(Gain)/Loss on investments	114,770	(188,798)
Donated investment	0	(2,310)
Dividends, interest and rents from investments	(5,004)	(16,000)
(Increase)/Decrease in debtors	241,858	(331,892)
(Decrease)/Increase in creditors	(53,765)	(836,114)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(495,982)</b>	(1,675,388)
<b>Net cash provided by (used in) Operating Activities</b>	<b>(495,982)</b>	(1,675,388)
<b>Cash Flows from Investing Activities</b>		
Dividends, interest and rents from investments	5,004	16,000
Purchase of Fixed Assets - Tangible	(13,481)	(4,741)
<b>Net cash provided by / (used in) Investing Activities</b>	<b>(8,477)</b>	11,259
Change in cash and cash equivalents in the year	(515,958)	(1,664,129)
Cash and cash equivalents brought forward	2,476,974	4,141,103
<b>Cash and cash equivalents carried forward</b>	<b>1,961,016</b>	2,476,974

The notes on pages 67-85 form part of these accounts.

## Notes to the Financial Statements

For the year ended 31 December 2020

SOS Children's Villages UK is incorporated in the United Kingdom, company number 03346676 and is a registered charity in England, Wales and Scotland. SOS Children's Villages UK registered office and operational address was SOS Children's Villages UK, Terrington House, 14-15 Hills Road, Cambridge, CB2 1NL until 22 April 2020. New premises have been leased at Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB which was the operational address for most of the 2020 financial year onwards for 5 years.

### 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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102), effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011 and UK Generally Accepted Practice. The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

#### Basis of consolidation

The financial statements were not consolidated with the Charity's subsidiary in Hong Kong on the basis of materiality and significance, further detailed in Note 19. The accounts are prepared in Pound

Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

#### Public benefit

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102. and information contained in the Charity Commission's general guidance on public benefit was referred to when reviewing SOS Children's Villages UK aims and objectives, as well as in preparing planning activities, implementing policies and setting priorities for the upcoming year.

#### Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, 2021, and the impact of COVID-19, in particular, significant scenario analysis and cashflow forecasting covering not only 2021 but also 2022 has been undertaken and whilst it is anticipated that income is likely to reduce, additional mitigation measures have been introduced to minimise the effect on the longer-term solvency of the Charity.

# 1. Accounting policies (continued)

## 1.2 COMPANY STATUS

The company is a company limited by guarantee. There are 8 members of the company being the Trustees named on page 55. The registered office address is also shown on page 55.

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

Restricted funds are generated when donors stipulate how their donations are to be spent. These funds are used in accordance with specific restrictions imposed by donors or for the particular purposes they have been raised by the Charity. The costs of raising and administering such funds are charged against the specific fund. An analysis of the movements on restricted funds is set out in Note 14.

Unrestricted funds are generated when the donors do not stipulate how donations are to be spent. These funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the company. Unrestricted funds are divided into two further classifications:

1. General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process, and

a contingency fund for other unidentified operational issues.

2. Designated reserves are funds to support SOS Children's Villages UK in two key areas:
  - a. Fundraising Reserves: to cover the commitment made by the Board to invest in the Charity's fundraising operations in particular in growing our Individual Giving Income.
  - b. Foreign Exchange Reserves: For possible exposure to foreign exchange fluctuations arising from the transfer of funds to our SOS implementing member associations.

The Trustees anticipate the designated reserves to be fully utilised over the coming next three years.

An analysis of the movements on unrestricted funds is set out in Note 14.

## 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.

The value of services donated are included at a value equivalent to that which the Charity would ordinarily incur on these services. The value of these in 2020 was Nil. Donated assets are capitalised at a value equivalent to market value at the date of donation. The value of these in 2020 was £5,257.

Interest earned and income tax recoverable on these funds are treated as unrestricted income unless otherwise specified by the donor.

Grants are included as incoming resources when these are received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

## 1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the

amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

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

Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include the audit fees and costs linked to the strategic management of the Charity.

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  
Computer Equipment: 33.3% Straight Line

## 1. Accounting policies (continued)

### 1.7 INVESTMENTS

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Donated shares which are freely tradable are included at the market valuation at the balance sheet date. Shares are not intended to be held as investments and are sold as soon as practically possible. The gain or loss for the period is reflected in the SOFA.

### 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

SOS Children's Villages UK operates a defined contribution pension scheme for its employees. The pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

### 1.15 FINANCIAL INSTRUMENTS

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

### 1.16 TAXATION

SOS Children's Villages UK, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities, if statutory limits are exceeded. No liability is payable in respect of such activities (2020: Nil). Income Tax incurred by deduction is reclaimed in full from the HMRC.

SOS Children's Villages UK is registered for VAT.

### 1.17 JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies, SOS Children's Villages UK's Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Accounting estimates impacting the financial statements concerned with grant, legacy and gift in kind income are detailed in Note (2) and accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

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

In the view of the Trustees, no estimation uncertainty or assumptions concerning the future affecting assets and liabilities at the balance sheet date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

## Note 2 Income from donations and legacies - Current Year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Gifts and donations	2,520,922	915,475	<b>3,436,397</b>
Legacies	50,000	287,419	<b>337,419</b>
Income tax recoverable	15,967	452,707	<b>468,674</b>
<b>Total donations and legacies</b>	<b>2,586,889</b>	<b>1,655,601</b>	<b>4,242,490</b>

## Income from donations and legacies - Prior Year

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

## Note 3 Other trading activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other trading activities	0	0	0	1,067

In 2019, of the total fundraising income, £1,067 was income from unrestricted funds and £NIL was income from restricted funds.

## Other Income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other Income	0	0	17,512	0

Other income relates to furlough income for one staff member due to the COVID 19 Pandemic in 2020 following the reduction of marketing activity.

## Note 4 Investment Income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	0	4,916	<b>4,916</b>	15,960
Dividends receivable	0	88	<b>88</b>	40
<b>Investments</b>	<b>-</b>	<b>5,004</b>	<b>5,004</b>	<b>16,000</b>

In 2019, of the total investment income, £16,000 was income from unrestricted funds and £NIL was income from restricted funds.

## Note 5 Analysis of Expenditure - 2020

	Activities directly undertaken 2020 £	Support costs 2020 £	Total 2020 £
<b>Cost of raising funds:</b>			
Costs of raising donation income	536,117	496,124	<b>1,032,241</b>
Exceptional investment in fundraising strategy	36,046	-	<b>36,046</b>
<b>Total cost of raising funds</b>	<b>572,163</b>	<b>496,124</b>	<b>1,068,287</b>
<b>Charitable activities:</b>			
Supporting children and village communities	1,777,768	220,000	<b>1,997,768</b>
Family strengthening	648,034	80,195	<b>728,229</b>
Education and youth employability	987,881	122,252	<b>1,110,133</b>
Responding to emergencies	50,144	6,205	<b>56,350</b>
Raising awareness with policy makers	85,618	10,595	<b>96,214</b>
<b>Total Charitable Activities before exchange movements</b>	<b>3,549,445</b>	<b>439,248</b>	<b>3,988,693</b>
Exchange gain		(99,037)	<b>(99,037)</b>
<b>Total Charitable Activities after exchange movements</b>	<b>3,549,445</b>	<b>340,211</b>	<b>3,889,656</b>
<b>Total Expenditure</b>	<b>4,121,608</b>	<b>836,335</b>	<b>4,957,943</b>

Refer to note 6 for a further breakdown of Support Costs.

## Analysis of Expenditure - 2019

	Activities directly undertaken 2019 £	Support costs 2019 £	Total 2019 £
<b>Cost of raising funds:</b>			
Costs of raising donation income	500,562	573,968	1,074,530
Exceptional investment in fundraising strategy	339,374	-	339,374
<b>Total cost of raising funds</b>	<b>839,936</b>	<b>573,968</b>	<b>1,413,904</b>
<b>Charitable activities:</b>			
Supporting children and village communities	1,938,286	288,952	2,227,238
Family strengthening	552,595	82,379	634,974
Education and youth employability	593,630	88,496	682,126
Responding to emergencies	91,149	13,588	104,737
Raising awareness with policy makers	81,010	12,077	93,087
<b>Total Charitable Activities before exchange movements</b>	<b>3,256,670</b>	<b>485,492</b>	<b>3,742,162</b>
Exchange gain		(104,814)	(104,814)
<b>Total Charitable Activities after exchange movements</b>	<b>3,256,670</b>	<b>380,678</b>	<b>3,637,348</b>
<b>Total Expenditure</b>	<b>4,096,606</b>	<b>954,646</b>	<b>5,051,252</b>

## Note 6 Support costs - 2020

	Raising funds 2020 £	Charitable activiites 2020 £	Total funds 2020 £
Personnel costs	165,529	88,961	<b>254,490</b>
Premises costs	59,818	39,879	<b>99,697</b>
IT & website costs	17,758	11,839	<b>29,597</b>
Other support costs	253,021	168,679	<b>421,700</b>
Governance (note 7)	-	129,891	<b>129,891</b>
<b>Total</b>	<b>496,126</b>	<b>439,248</b>	<b>935,374</b>

## Support costs - 2019

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

## Note 7 Governance - 2020

	Raising funds £	Charitable activiites £	Total funds £
Audit fees	-	11,970	<b>11,970</b>
Training	-	-	-
Staff costs in relation to Governance	-	117,921	<b>117,921</b>
<b>Total</b>	<b>-</b>	<b>129,891</b>	<b>129,891</b>

## Governance - 2019

	Raising funds £	Charitable activiites £	Total funds £
Audit fees	-	11,130	11,130
Training	-	1,707	1,707
Staff costs in relation to Governance	-	90,011	90,011
<b>Total</b>	<b>-</b>	<b>102,848</b>	<b>102,848</b>

## Note 8 Net expenditure / (income)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets owned by the Charity	6,114	4,211
Loss on the disposal of fixed assets	1,578	-
Auditors' remuneration	11,970	11,130
Auditors' remuneration - non-audit	0	0
Operating lease payments	85,291	190,777
Pension	36,624	33,153
Foreign exchange (gain) / loss	(99,037)	(104,814)

## Note 9 Staff costs

	2020 £	2019 £
Wages and salaries	835,608	788,266
National Insurance costs	79,082	81,907
Pensions and other costs	36,624	33,153
<b>Total</b>	<b>951,315</b>	<b>903,326</b>

Included within wages and salaries is severance payment of £3,000 made to one employee as approved by the SMT (2019: £0).

## Average number of staff employed

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

	2020	2019
Fundraising	11	11
Communications	5	6
Finance / IT & Admin	6	7
<b>Total</b>	<b>22</b>	<b>23</b>

The key management personnel of the Charity comprise of the Trustees and 4 others (2019: 4) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising and the Director of Communications. No Trustees received any remuneration or benefits in kind from the Charity (2019 - none). The total employee benefits of the key management personnel of the Charity were £416,204 (2019 - £305,224).

The number of employees whose total benefits excluding employer national insurance contributions and employer pension cost amounted to over £60,000 in the year was as follows:

	2020	2019
In the band £60,000 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	-	-
In the band £90,001 - £100,000	1	1

Total employers pension contributions in relation to the above higher paid employees was £10,658 (2019: £10,462).

## Note 10 Tangible fixed assets

	Telephone System £	Fixtures & fittings £	Computer Equipment £	Total £	2019 Total £
<b>COST:</b>					
<b>At 1 January 2020</b>	7,718	40,295	104,244	<b>152,257</b>	147,516
Additions	0	8,797	10,434	<b>19,231</b>	4,741
Disposals	(7,718)	(37,153)	(4,236)	<b>(49,107)</b>	-
<b>At 31 December 2020</b>	0	11,939	110,442	<b>122,381</b>	152,257
<b>DEPRECIATION:</b>					
<b>At 1 January 2020</b>	7,718	37,962	96,918	<b>142,598</b>	138,424
Charge for the year	-	1,044	5,106	<b>6,150</b>	4,211
Disposals	(7,718)	(35,150)	(4,236)	<b>(47,104)</b>	-
<b>At 31 December 2020</b>	0	3,856	97,788	<b>101,644</b>	142,635
<b>Net book value:</b>					
<b>At 31 December 2020</b>	0	8,083	12,654	<b>20,737</b>	9,622
At 31 December 2019	0	2,333	7,327	<b>9,622</b>	9,091

## Note 11 Fixed asset investments

	Listed investments 2020 £	Listed investments 2019 £
<b>MARKET VALUE:</b>		
At 1 January	<b>1,212,563</b>	1,021,455
Additions	<b>0</b>	2,310
Unrealised gain or (loss) on investments	<b>(114,770)</b>	188,798
<b>At 31 December</b>	<b>1,097,793</b>	1,212,563
<b>Comprising of:</b>		
Fixed interest	<b>259,391</b>	250,392
Equities	<b>838,402</b>	962,171
<b>Total market value</b>	<b>1,097,793</b>	1,212,563
<b>Total historical cost of investment</b>	<b>1,000,000</b>	1,000,000

## Note 12 Debtors

	2020 £	2019 £
Other debtors	<b>142,669</b>	36,324
Prepayments and accrued income	<b>647,778</b>	1,031,808
Tax recoverable	<b>74,571</b>	38,744
<b>Total</b>	<b>865,018</b>	1,106,876

## Note 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	15,086	13,065
Other taxation and social security	27,102	34,692
Other creditors	10,918	7,255
Accruals	1,207,652	1,259,511
<b>Total</b>	<b>1,260,758</b>	<b>1,314,523</b>

## Note 14 Statement of funds

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General fund	1,943,275	1,678,117	1,839,888	(55,584)	(114,770)	1,611,150
<b>Designated funds:</b>						
Fundraising research & investment reserve	60,626	0	36,046	0	0	24,580
Foreign exchange reserve	150,000	0	0	55,584	0	205,584
	<b>2,153,901</b>	<b>1,678,117</b>	<b>1,875,934</b>	<b>-</b>	<b>(114,770)</b>	<b>1,841,315</b>
<b>RESTRICTED FUNDS</b>						
Philippines	80,451	0	0	(80,451)	0	- 0
Zambia	38,586	29,468	28,956	0	0	39,098
Gambia - The European Union	0	0	0	0	0	0
YEP Project, Basse	41,372	108,998	80,328	0	0	70,042
Bolivia, La Paz	429,441	0	429,441	0	0	0
Sponsorship fund	34,163	1,914,543	1,917,815	0	48	30,939
Africa - general	322,968	0	47,370	0	(40,022)	235,576
Other projects <£50k	390,630	486,752	563,100	(152,232)	39,974	202,024
COVID 19 Appeal	0	47,128	15,000	232,683	0	264,811
	<b>1,337,611</b>	<b>2,586,889</b>	<b>3,082,010</b>	<b>0</b>	<b>0</b>	<b>842,490</b>
<b>Total funds</b>	<b>3,491,512</b>	<b>4,265,006</b>	<b>4,957,944</b>	<b>-</b>	<b>114,770</b>	<b>2,683,806</b>

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. During the year Trustees agreed to reallocate old restricted fund balances for emergency COVID-19 support. The restricted funds will still be utilised within the same countries originally specified by the donors.

## Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	20,737	<b>20,737</b>
Investments	-	1,097,793	<b>1,097,793</b>
Current assets	842,490	1,983,544	<b>2,826,034</b>
Creditors due within one year	-	(1,260,758)	<b>(1,260,758)</b>
	842,490	1,841,316	<b>2,683,806</b>

## Analysis of net assets between funds - Prior Year

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

## Note 16 Analysis of changes in net debt

	Balance brought forward 01/01/2020 £	Cashflow £	Balance carried forward 31/12/2020 £
Cash in hand	2,476,974	(515,958)	1,961,016

## Note 17 Operating lease commitments

At 31 December 2020 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2020 £	2019 £	2020 £	2019 £
<b>Expiry Date:</b>				
Within 1 year	<b>42,000</b>	48,000	<b>3,467</b>	3,467
Between 2 and 5 years	<b>147,000</b>	0	<b>1,359</b>	4,826
After more than 5 years	<b>0</b>	0	<b>0</b>	0
<b>Total</b>	<b>189,000</b>	<b>48,000</b>	<b>4,826</b>	<b>8,293</b>

A new 5 year operating lease of £210k was signed on 1st April 2020 for the rental of office space in Cambridge with a break option after 3 years.

## Note 18 Related party transactions

At 31 December 2020 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.

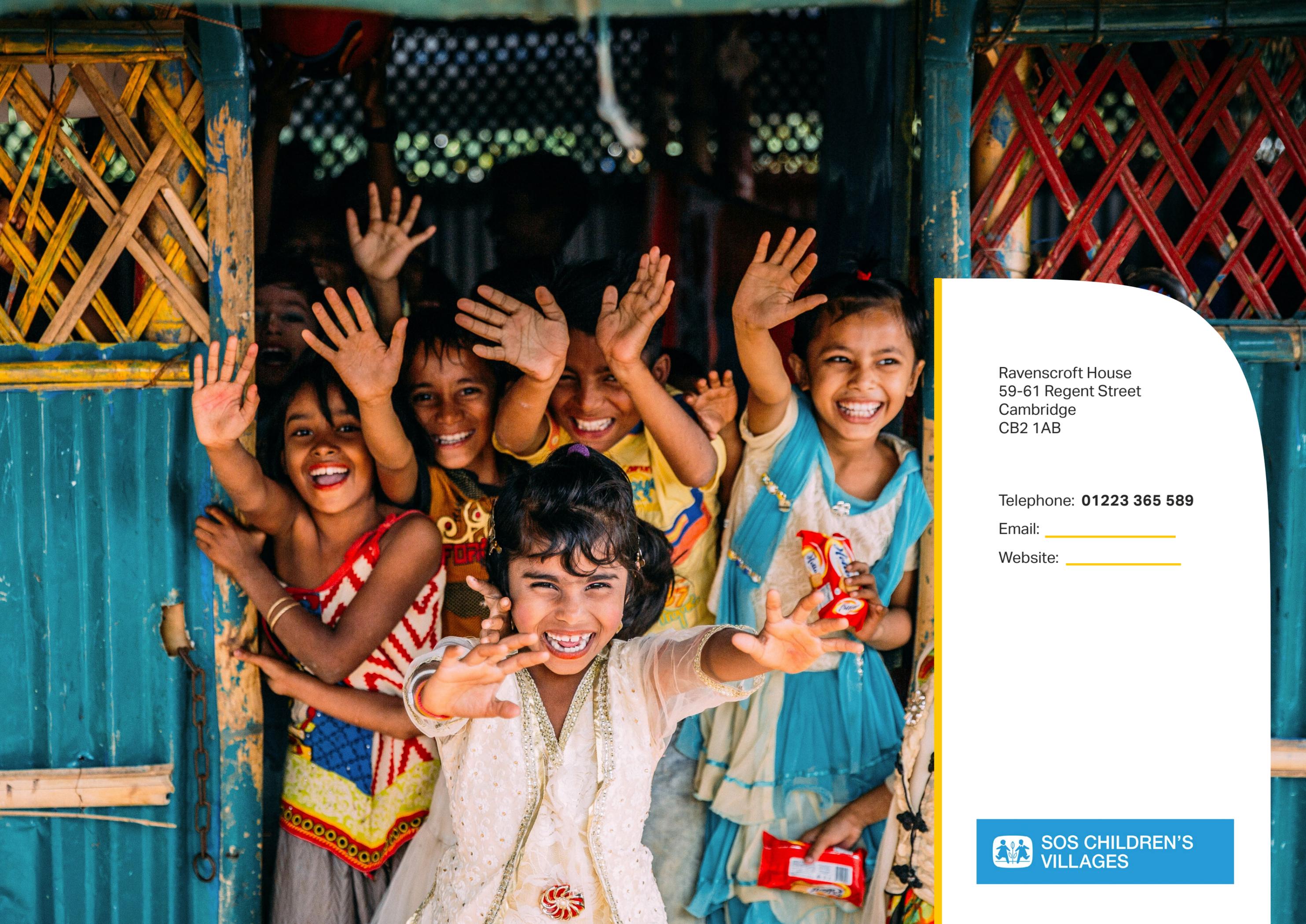
During the year under review a sum of £27,868 (2019 £38,911) was received from a Pakistan Support Group. A Khan, who resigned from her position as a Trustee of SOS Children's Villages UK during 2019 is a bank signatory of the Pakistan Support Group.

Hong Kong Friends of SOS Children Limited is a branch of SOS Children's Villages UK and not consolidated on the basis of materiality. During the year under review Hong Kong Friends of SOS Children Limited had a turnover of £2,212 (2019 £5,321) and a net deficit of £3,149 (2019 net surplus £1,911).

There are no other related party transactions.

## Note 19 Trustee expenses

The Trustees did not receive any remuneration neither did they make any claim for the reimbursements of expenses during the year (2019: Nil).



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**SOS CHILDREN'S  
VILLAGES**