

2021 ANNUAL REPORT



SOS CHILDREN'S
VILLAGES UK



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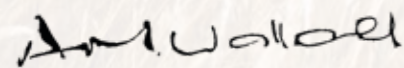
Notes to the financial
statements

2021 was another year where we tried to grapple with the notion of the “new normal” post pandemic, and to take some cautious steps towards rebuilding our ways of living and ways of working to support the implementation of programmes. The children and families we support around the world, as well as the incredible colleagues we work with, were also taking these cautious transitional steps forward too, with lockdowns now more localised though still intermittently enforced in different parts of the globe at different times. It was a time to take stock and assess the damage done by limited physical access to services and functions, with children out of school for prolonged periods and many girls not returning to the classrooms, livelihoods decimated and years of progress in some areas reversed. It became apparent that the impact of the coronavirus would last long after the distribution of vaccines starts to help some countries emerge from the pandemic, while the inequitable access prolongs the pandemic for others. It was in this context that we started to look to ways to mitigate those impacts.

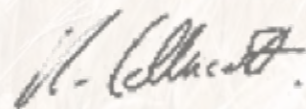
It was a year of movement and transition on our Board too, with us starting the year with Mary Cockroft as Chair, before she retired and Michael Brewer stepped in as interim while we conducted an executive search for our new permanent Chair. Finally, Harpinder Collacott joined us towards the end of the year. We are delighted to have someone with such strong Board experience take on the role, in addition to her wealth of knowledge of and experience in the charity and international development sector.

Unfortunately, in early 2022 we received the incredibly sad news of Michael Brewer’s passing. He was a devoted trustee who supported SOS Children’s Villages for 20 years and was a much loved, admired and immensely supportive Board member. He will be sorely missed and remembered fondly for many years to come

Such change and development on the Board feels very similar to the climate of 2021 in general: one of change, rediscovery, rethinking and looking at things once more with a new lens. Nonetheless, we achieved so many things that are truly incredible with the commitment of our colleagues and devoted supporters. We thank them all for their continued hard work and ongoing support. We finished the year feeling energised for the future due to everyone’s incredible work and the opportunities ahead of us. We hope you will enjoy reading about our achievements in 2021 on the following pages and will be inspired to continue to support SOS Children’s Villages in 2022 and beyond.



Alison Wallace
CEO



Harpinder Collacott
Chair of Trustees



YEAR IN REVIEW 2021

In 2021, 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, PDFoundation, FactSet, Lines & Current, From Babies with Love and DeMellier as well as individual sponsors and donors. In addition, we secured new funding from the Standard Chartered Foundation, tcc Foundation and Pinsent Masons. We are extremely grateful for this generous support. Read more about the financial breakdown on pages 48 - 89.

Over the year, funding went towards maintaining and supporting SOS Children's Villages in Zambia and The Gambia; continued work worldwide on preventing the spread of coronavirus and adapting our projects and programmes to respond to lockdowns; the Youth Training and Employability Programme in The Gambia; and a new Village in a remote region of Pakistan, in partnership with SOS Children's Villages Pakistan.

THE IMPACT OF COVID-19 ON OUR WORK IN 2021

With schools and education centres continuing to be affected by different levels of closure at different times across the world, SOS Children's Villages consolidated the work started in 2020 to ensure there was continued availability of services online or with COVID-secure measures.

In 2021, COVID-19 continued to have an impact on our work. Staff around the world had to dig deep to find the strength and resilience to weather the continued storm.

For many, the vaccine seemed to herald an end to the pandemic, but for others, it was just the beginning of a journey to rebuild their lives. Coronavirus undoubtedly reversed decades of progress on poverty, healthcare and education in many of the poorest communities around the world, further widening the gap between the richest and poorest countries. We know now that it has been the worst human and economic crisis of our lifetime impacting children and families.

SOS Children's Villages was able to continue to help families in need of urgent food supplies, personal protection equipment and antibacterial kits, and extended our long-term programmes to even more people affected by the crisis. As with all of our work, there were no short-term fixes. Over the coming years, we plan to double our efforts going forward to deal with the real socio-economic fall-out from coronavirus, helping families who were already struggling before the pandemic, to rebuild their lives.

In the UK, staff were able to return to the office as lockdown restrictions were relaxed, subject to a full risk assessment and the implementation of COVID-19 safe workplace requirements, principally mask-wearing and social distancing. However, many staff have opted to take up flexible working opportunities, mixing working from home with office based working as appropriate to the needs of the organisation.



OUR WORK

In 2021 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.



Year in review 2021



Global-Youth training and employability

In 2021, we launched a two-year partnership with the Standard Chartered Foundation to support their Futuremakers initiative, helping young people including those leaving care to get the skills and training they need to work their way out of poverty, and the resilience and confidence to become independent.

An estimated 267 million young people worldwide are not in employment, education or training according to the International Labour Organisation (ILO). Those leaving alternative care are disproportionately affected because they have fewer opportunities to access training and are required to be financially independent at a much earlier age than those living with their families. The pandemic made the situation worse for care leavers as they experienced job losses, wage cuts and a lack of skills.

Together we aim to support more than 4,000 young people, particularly women and people with disabilities, in Botswana, Côte d'Ivoire, Jordan, Mauritius, Philippines, South Africa and Sri Lanka to receive crucial support and training to find long-term work and be competitive in today's employment market.

Through SOS Children's Villages' global digital platform, YouthLinks, Standard Chartered employees are offering young people in the seven countries online sessions in careers, CV writing, interview preparation, financial management and ICT training through one-to-one and group mentoring.

By supporting young people in their transition from childhood to independence, and providing them with the tools to improve themselves, we are finding solutions for sustainable livelihoods and opening up a new world of opportunity for them.

Global – 7 women, 7 causes

In March 2021, luxury handbag brand and SOS Children's Villages' long-term partner DeMellier, launched the '7 women, 7 causes' capsule collection, named after the seven talented women who designed bags for causes close to their hearts. DeMellier's founder, Mireia Llusia-Lindh, designed the LIFE tote bag in support of SOS Children's Villages. Thanks to DeMellier, 100% of the profits from the sale of the LIFE tote were donated to fund lifesaving medical treatments for children in our programme in Liberia.



"Our aim through 'A Bag, A Life' is to work with SOS Children's Villages to provide vaccines and medical treatments to save the lives of the most vulnerable children"

- Mireia Llusia-Lindh, Founder of DeMellier

The Gambia - Youth Training and Employability Programme

The Youth Training and Employability Programme in The Gambia continued to support vulnerable young people to access vital training and employability skills. The programme is generously funded by PDFoundation and co-funded by corporate partners Lines & Current, Awards International and Cambridge Assessment.

Situated in Basse in the Upper River Region, the poorest part of The Gambia, the five-year project aims to empower 1,000 young people with training and employability skills to help them build sustainable livelihoods.

Despite the challenges of national lockdowns, which included the closure of training centres for much of 2020, the first cohort of students who had enrolled on training programmes in February 2020 have completed their training, with 132 young people, 70% young women undertaking work placements to further develop their market relevant skills.

The project staff actively engaged with a wide range of stakeholders, securing placements at reputable organisations such as the National Telecommunication Company, Migrant Information Centre of the National Youth Council, International Office of Migration and Fandema (local NGO). Many of the placements have been extended and the trainees are being paid for their work.

All of the Social Work students have had their placements extended with two young people offered formal employment contracts.

Six students from the Sewing and Design course and one from the Literacy and Craftwork course have been contracted by the placements at a well reputed locally driven social enterprise. Seven students from the Catering and Hotel Management course are currently employed in the food industry. Five students from the PC and Mobile Repairs class have been formally appointed, three of which are working at a local school.

The centre has now taken on its second cohort of 201 young people. 52 young people have enrolled on the Sewing and Design course, 30 on the Social Work course, 44 on the Catering and Hotel Management course, 48 on the Literacy and Craftwork course, and 27 on the PC and Mobile Repairs course.

In line with our commitment to support women and people living with disabilities, 77% of the second cohort are women, and 2% are living with disabilities.

*Names have been changed to protect the privacy of those involved.



Year in review 2021

Mariam*, a student with disabilities on the sewing and design course from the first cohort is now the President of the Rural Support Organisation for the Disabled Centre.

"I am the president of this organisation and this has exposed me to a lot of opportunities and also has influenced my dealings with people. It also sharpened my perception and broadened my horizon of life in particular."

In addition, our outreach work has resulted in students from communities outside of Basse attending, including from villages close to the Senegalese border around 50km from the training centre.

Whilst all photographs are authentic SOS Children's Villages images, some are illustrative and may not be of any named individuals.

Philippines – Elevate to Educate

In May 2021, SOS Children's Villages UK partnered with financial data and software company, [FactSet](#), on work readiness and education support for 400 young people in Bataan, The Philippines, to have the best chance to thrive.

FactSet are supporting young people's education opportunities providing support for web-based learning and education, healthy and nutritious meals, and access to technology through providing reliable internet connections.

As a result of this partnership, 322 young people from underprivileged backgrounds are going into further education and work.

FactSet also became the first YouthCan! partner in the Philippines. YouthCan! is SOS Children's Villages global partnership for youth employability, through which employees share their time, skills, and expertise with young people to support them and provide them with the crucial skills needed for work readiness. Six virtual events have been held so far, including the first skills-based volunteering session which was on personal maturity.



Brazil - Childhood Nutrition Project

The Lis Mosekilde Health and Family Support Centre, affectionately known as the 'Lis Centre' provides vaccinations, community outreach, and education in Araçoiaba, a remote part of Brazil. In 2021, thanks to a generous donation, a new childhood nutrition programme was launched at a critical time when many families were facing food insecurity and poor health due to unemployment and isolation as a result of the coronavirus pandemic. The donor in question, Mr Hewitt, originally funded the construction of the 'Lis Centre' in memory of his late wife, Professor Lis Mosekilde, a doctor, scientist and academic. Funding the childhood nutrition programme enabled him to continue his wife's legacy and keep supporting the community in Araçoiaba.

The aim of this project is to improve the nutrition of 250 children, young people and their families from July 2021 to April 2022. Brazil has seen a marked deterioration in its food security indicators as the economic fallout of coronavirus deepened and a growing number of people struggled to afford a nutritional diet amid government aid cuts.

Since the onset of the pandemic, the SOS Children's Villages Brazil team has been providing basic food items and monitoring the living situation of families building on the relationships created within the community as part of the ongoing work at the Lis Centre.

So far, SOS Children's Villages, Brazil has implemented individual development plans for sixty of the most vulnerable families in Araçoiaba; held meetings to educate participants on the health implications of food; worked with a local nutritionist to create food baskets containing locally available nutritious foods; created and distributed 540 food baskets (60 baskets each month); undertaken regular family health monitoring, including weight and height measurements, physical condition and Body Mass Index; continued to inform the community about coronavirus; and equipped families with cleaning and hygiene supplies.

Evaluating the health of families was an essential part of this project, to ensure a long-lasting impact. Due to the poverty suffered in the area, most families could only afford to eat once a day. Their food choices were based on price and presented low nutritional value. In the first evaluation, 42% of all children and adults were overweight. Most adults presented with obesity, high blood pressure and high levels of sugar (pre-diabetic). The final health evaluation showed an improvement, with 10% of all participants no longer being overweight, demonstrating a significant impact on the overall health of the group.

"Some of the items in the food baskets my children had never eaten before. The project gave us the opportunity to eat better quality food, more frequently than before."

Joanna, 32 years-old



Year in review 2021

Rosineide's story*

Rosineide* is a single parent, living with her two daughters in two rooms adjoining onto her elderly mother's shack. Her home was made of mud and had no running water, electricity or toilet. It was also very close to an open sewer channel, presenting very clear health risks. Rosineide* lost her job early on in the pandemic and so was dependent on social welfare payments equivalent to less than £50 each month. Given these challenging living conditions and limited income, Rosineide* was close to losing parental care of her children.

By visiting the Lis Centre to take part in the Nutritional Development Project, Rosineide* was able to use the welfare money to find a better home for her family, rather than spending it on essential food. The food baskets supplied through this project enabled her whole family to eat three healthy meals each day. After nine months and with the support of the SOS team, Rosineide*, her mother and two girls are now living in a brick house with sanitary flooring and a proper bathroom, subsidised by the local government.

*Names have been changed to protect the privacy of those involved.

Liberia – malaria vaccinations, DeMellier

Part of the DeMellier funds have gone to help 5,000 children in Liberia get vaccinated against preventable diseases and provide life-saving malaria treatments to 535 children who have lost parental care or are at risk of losing it.

In Liberia alone over 11,000 children under the age of five die every year from preventable diseases such as malaria (the leading cause of death), pneumonia, diarrhoea, and measles. The most vulnerable are newborn babies, as at least a third of all under-five mortality occurs in the first month of life.

Our work in Liberia has meant that 31,957 children have been immunised over the last three years. However, with over two million children under the age of five, demand for quality vaccination and medical services is increasing. With DeMellier's support, we can change lives.

While vaccines are provided free of charge by the Ministry of Health, the SOS Medical Centre provides the infrastructure, materials and equipment including the health personnel to deliver vaccines to children.

Mary's* story

In July 2021, Mary and her mother were sick. Mary's mother tested positive for malaria and was able to be treated at a community health centre, helped by SOS social workers. Although Mary initially tested negative for malaria, she retreated to her bed, sweating profusely and suffering severe pain. SOS social workers went to her home to monitor her situation, but she was getting sicker. Her family couldn't afford the treatments, which would have included transportation to the clinic, hospital registration and consultation fees, and antimalarial drugs. The SOS team were quick to take Mary to the SOS Medical Centre. They were able to fast-track the admissions process, making sure that Mary got access to the medical treatments she needed right away and covered all the associated costs. Thanks to them, Mary was able to make a full recovery.

*Names have been changed to protect the privacy of those involved.



India, The Gambia, Zambia Support through sponsorship

In 2021, our UK donors continued to support SOS Children's Villages around the world, providing sponsorship or other financial support to SOS's work in 115 countries in total.

To give an overview of the impact of this, we are showcasing projects in India, The Gambia and Zambia below, as these are the countries that received the largest share of support in 2021. Here is just some of the amazing work we have done, thanks to them.

National coronavirus restrictions still applied for part of 2021 and as such SOS Children's Villages continued to support children's and young people's education and wellbeing by providing access to online schooling as well as wider activities such as art, crafts, yoga, cooking and gardening and therapy. As national restrictions lifted, many of the young people in the villages have been able to continue their studies and training. Many have successfully enrolled into universities, further education and employment, something that would not have been possible without the love and support of their SOS families.

The villages continued their family strengthening outreach programmes to help caregivers meet the needs of their children. A priority has been supporting those who had lost their livelihoods due to the pandemic. Caregivers were offered financial support as well as skills and financial training so they could begin their recovery and secure their futures and those of their children.

In Bakoteh, The Gambia, twins, Sango* and Biso*, who grew up in the SOS Children's Village, made it into The Gambia Under 17 football team in the FIFA Women's Under 17 World Cup. Sango* has now signed a one-year contract to train in Grenoble, France. Sango dedicates her success to her SOS mother and siblings who encouraged her to play.

In Basse, The Gambia, SOS continued to support its young people in their respective passions. During the rainy season, Jaambar* helped in the cultivation of okra and sorrel in the village. He took part in the farming process from land preparation to harvest and then distributed the produce to the local community. Congratulations to Bolongba* too who completed his one-year university access programme and has secured a place at the University of The Gambia.

In Bhopal, India, Mary* lost her job as a house cleaner due to the pandemic. The Family Strengthening Programme and the SOS Self Help Group helped her to start a livestock business and now she can feed her family and send her children to school.

In Varanasi, India, Kajal* and her family were struggling to eat. The Family Strengthening Programme helped her to access a government scheme to gain employment. Now, Kajal and her family is doing well. Her child -Krishna attends regular classes and is studying hard to achieve good marks in his class.

*Names have been changed to protect the privacy of those involved.

In Alwaye-Cochin, India, Sudha*, a single mother and her daughter, Nandini* were struggling financially. The Family Strengthening Programme bought her a cage for hen rearing which yielded many eggs and provided them with an income. Sudha also got a part time job in catering and Nandini is doing well at school.

In Bangalore, India, Pallavi* and her husband, a rickshaw driver, were unable to feed their child. The Family Strengthening Programme provided financial support and encouraged Pallavi's sewing skills. She began tailoring at home and made a good income from it. She was even able to put a down payment on a rickshaw for her husband, as he had previously been renting one.

In Faridabad slum, India, Rekha,* a housemaid, and her husband, a daily wager, lost their jobs in the pandemic and were struggling to support their three children. The Family Strengthening Programme provided them with a monthly food supply and the children were given reading books. Rekha* took a loan from the SOS Self Help Group and opened a small shop. She and her husband took a small loan and have made a down payment for an e-rickshaw for him. The family are now happy and stable.

In Faridabad slum, India, Ruchi* lives with her alcoholic husband and four children and was unable to sustain her family. She joined the Family Strengthening Programme which provided counselling to her husband and helped her to open a small shop selling clothes. The family can now eat together and the children are attending school.

In West Bengal, India, Nisha* sews for a living and her husband is a mason, but they were not earning enough between them to support their two sons. She joined the Family Strengthening Programme, which provided her sons with school bags and supplies, and helped her to become financially independent. Nisha and her family are now settled and living well.

In Rourkela, India, Rupali's* husband died, and she was struggling to support her two sons. The Family Strengthening Programme helped her children with their studies and provided them with extra tuition and study materials. The programme also provided food packets and financial support to open a small shop so that Rupali could get a new start in life.

In Livingstone, Zambia, Emily* is raising her three grandchildren. She could not afford to feed them three meals a day or send them to school. With the assistance of SOS Children's Villages, she received school books, bags, shoes and uniforms for the children so they could attend school. She was also advised on how to improve her roadside stall so she could support her family and now the children are getting an education and eating three meals a day.

In Chipata, Zambia, Patrick* who lost both of his parents at a young age and was supported into school by SOS Children's Villages, has now completed college and is volunteering as a teacher at a local community school.

In Kitwe, Zambia, Clement* and Richard* from SOS have been accepted into university to study medicine. With access to education and the loving support of their SOS families, the young men plan to be doctors when they graduate.

In Lusaka, Zimbabwe, Ida* who has been living with her SOS family since she was nine years old, often had to drop out of school because her grandmother could not afford to send her. Now she is going to college to study clinical medicine and hopes to work in the medical field and save lives when she graduates.



Pakistan – New SOS Children’s Village at Rawalakot

Construction of the new SOS Children’s Village in Rawalakot is ongoing, despite the challenges of the necessary coronavirus restrictions and inclement weather in the region. The project completion date is scheduled for June 2022.

During the construction of the Children’s Village, SOS Children’s Villages Pakistan has continued to support children in need of a safe and loving home. The temporary village is home to 36 children who are being looked after by SOS mothers and a team of supporting staff.

A clinical psychologist is appointed in every SOS facility in Pakistan to support the emotional development of every child. Some children experienced increased anxiety due to the pandemic and associated social distancing, a problem which has been greatly improved by the psychologists introducing relaxing techniques, art therapy, catharsis therapy and other coping techniques.

“I like this school because of the peaceful environment here, and we are very welcome here. The teachers are very well qualified and are hardworking on our studies. So, I like this school.”

– a young boy from Year 9

The Rawalakot Community School remains a vital local resource, reaching 220 children and young people and ensuring children from alternative care and those from financially disadvantaged backgrounds in the surrounding communities have access to quality education.

During the height of the coronavirus pandemic, strict standard operating procedures were put in place to ensure everyone could attend school safely, and during the lockdown, online lessons were delivered by students’ usual teachers to ensure continuity where possible. The school provides education up to the 10th grade, enabling students to achieve their Secondary School Certificate.

“The school is very neat and clean. We are doing creative work, like projects and presentations. I like it here, very much.”

– a young girl from Year 7



Year in review 2021

India and South Africa YouthLinks – Virtual Mentoring with M&G

In 2021, M&G plc employees joined YouthLinks, SOS Children's Villages' virtual mentoring programme. YouthLinks digitally connects young people aged 16-25 in SOS Children's Villages programmes with mentors from the corporate world. Over eight weeks, mentors work with young people covering a range of employability topics including CV writing, job interviewing, resilience, and confidence-building.

Over the course of the year, 28 M&G plc mentors from India and the UK were partnered with 56 young people in India and South Africa between February - April and June - August, sharing their experience and their expertise.

M&G plc mentors gave over 300 hours of support to young people through YouthLinks, making an immense impact on the lives of all the participants.

"My mentor inspired me to work hard, fuelled by passion and to dream big."

-Young person from India



"I want to thank you for my sessions, I even managed to open my own company."

-Young person South Africa

Tanzania - Peer-to-peer education project, Mercury Phoenix Trust

Thanks to the Mercury Phoenix Trust for their grant of £11,918, received in March 2021 for the Adolescent Sexual Reproductive Health and HIV/AIDS Project in Iringa, Tanzania. The project, designed by SOS Tanzania to respond to the challenges surrounding Sexual and Reproductive Health in the country, involves increasing knowledge and open discussion about HIV and AIDS amongst adolescent girls and boys through peer to peer educators.

Tanzania has one of the top ten highest rates of adolescent pregnancies in the world. Approximately 5% of people aged 15 years and above are living with HIV, with the rate in Iringa at 11.3%. There is inadequate access to information about Sexual Reproductive Health services and only about one third of health facilities offer youth-friendly services.

The project is based on the successful methodology used in a previous project where SOS Children's Villages Tanzania trained peer educators to raise awareness of HIV and AIDS. Peer educators were able to break down barriers to discussing Sexual Reproductive Health. Young people felt able to have open and honest conversations with trained peers without fearing judgement and repercussions from adults.

The project also complements SOS Children's Villages Tanzania's "Children with Children – Initiatives for Teenage Girls in Tanzania," a programme that is reducing gender-based violence, sexual abuse and child and adolescent pregnancies.

The project was launched in May 2021 with the aim of reaching 1,000 young people. It has been well received by the target group and stakeholders and reached over 2,000 adolescents who are in and out of formal education. The programme was also delivered in 12 schools and four communities.



Vietnam - Young Leaders project, City Football Group

City Football Group generously sponsored Young Leadership Training in Vietnam. Thanks to a five-year partnership with the Group's Cityzens Giving programme and Manchester City, supported by SHB Bank in Vietnam, young people have gained new skills and confidence and have been able to use football and other sports to encourage physical activity, develop transferrable life skills, and improve mental wellbeing in their communities.

From January to December 2021, 566 Young Leaders - 235 girls and 331 boys - participated in online training sessions organised by City Football Group Coaches. The sessions focused on football and life skills, including English language, finance, planning, leadership, community coaching, social impact, and project management. Equipped with these new skills, the Young Leaders are encouraging physical activities in their households and villages, and have themselves improved their mental wellbeing.

During the pandemic, SOS Children's Villages Vietnam purchased sports equipment for the 17 Villages with a donation from City Football Group to mitigate the negative impacts of the pandemic on children's and young people's mental and physical health.

The skills and knowledge that the Young Leaders have gained throughout the project will also support them in starting an independent life.



Do Phuong Anh's story

Do Phuong Anh has lived in SOS Children's Village Hai Phong since early childhood. Her SOS mother, Thang, and SOS siblings are the only family she knows. She is one of the many young people who have participated in the Young Leadership Training, an opportunity that enabled her to practise her English language skills.

Thanks to the touching essay she wrote in English, her perseverance and the support of her family and the Village, Do Phuong Anh was awarded the Lion's Heart Scholarship to study Marketing at the British University of Vietnam, the only university in Vietnam to award direct degrees from the University of London. She aims to get a good job when she graduates so that she can give back to the SOS village community where she grew up.

Year in review 2021



CHILD SAFEGUARDING

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

In 2021, no safeguarding incidents relating to SOS Children's Villages UK employees or volunteers were reported. 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.

In addition to the Safeguarding Committee of the Board of Trustees which reviews programme oversight responsibilities and donor and Charity Commission reporting,

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.

During the year, two safeguarding incidents were reported to us by SOS Children's Villages International relating to programmes funded by SOS Children's Villages UK in The Gambia and Sri Lanka. The Trustees reported these incidents to the Charity Commission under the Commission's serious incident reporting process. The Commission was satisfied that the Trustees were managing the incidents appropriately and responsibly for SOS Children's Villages UK.

The International Senate of SOS Children's Villages – the federation's highest supervisory body – published an Independent Child Safeguarding Review which it commissioned from Keeping Children Safe, an internationally recognised child safeguarding standard setter. The purpose of the Review was to address the topic of historical safeguarding abuses and make findings and recommendations to improve safeguarding practice. In response to the findings, the Senate published its Safeguarding Action Plan to implement the Review's recommendations which includes establishing an Independent Special Commission to examine evidence of wrongdoing that arose in the course of the Review.

SOS Children's Villages UK reported the publication of the Independent Child Safeguarding Review to the Charity Commission under the serious incident reporting process, due to the potential of the Review to impact the reputation of the Charity in the UK. A risk of negative impact to reputation or the charity's assets (funding) is a criterion for making a report to the Commission.

In 2021, 68,000 children were in the direct care of one of our sister SOS organisations, compared with 65,600 in 2020, 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:

<https://www.sos-childrensvillages.org/getmedia/5e848b4e-6f2f-4e7f-977e-a9bdba650b33/Child-Safeguarding-Annual-Report-2020-21.pdf>

SERIOUS INCIDENT REPORTS TO THE CHARITY COMMISSION

In addition to the safeguarding incident reports referred to above, SOS Children's Villages UK reported to the Charity Commission an allegation of serious fraud involving at least one employee of SOS Children's Villages Zambia. No employees of or volunteers for SOS Children's Villages UK are involved and there is no loss to the Charity's funding or impact on the Charity's beneficiaries.

ACHIEVEMENT OF OBJECTIVES IN 2021

We set ourselves the objectives for 2021 to:

- 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 and benefiting parents and their children, and livelihoods 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 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.

In 2021 we raised a total of £7.8m from our generous supporters for 115 countries around the world, including £150k to support programmes for COVID-19 resilience and recovery in India, Philippines and South Africa. (In 2020, this was £4.3m and over 100 countries also £15k was donated to Haiti's COVID-19 programme.) We were able to help provide PPE equipment, hand sanitiser, food, safe water and other forms of direct support to vulnerable families and ensure children could access remote learning opportunities and programme staff were safe.

A total of 7,202 donors supported 4,774 children and 287 Children's Villages in which children without parental care live, through our sponsorship programme. In 2020, the figures were 5,229 children and 301 Villages funded by 7,805 supporters. In line with our fundraising strategy, we did not actively promote sponsorship in 2021, and therefore had fewer supporters sponsoring than in previous years.

We contributed a total of £278k to village communities in Basse, The Gambia and Chipata, Zambia, supporting 233 children (in 2020, 215 children) in family like care with SOS carers and 717 families in family strengthening programmes (in 2020, 1,898 children and families). These programmes cover a wide range of community and individual empowerment programmes such as empowering vulnerable families to become self-reliant, helping young people with vocational skills training so they can



access employment or set up their own local businesses, working closely with local partners to ensure a sustainable approach.

One example is the Youth Training and Employability Programme ('YTEP') in Basse, The Gambia, where, with the help of UK donors, over five years, 1,000 young people will be able to access vocational skills training, mentoring and support in transitioning into employment or setting up their own local businesses. In 2021 140 young people completed their training; in addition the programme delivered outreach awareness sessions on employment opportunities and sexual and reproductive health and rights in six schools. A further 30 young people outside of the YTEP course accessed career counselling, also as a result of the centre's community outreach work. See page 25 for further details.

On the theme of youth empowerment, in 2021, we secured a new partnership with the Standard Chartered Foundation as one of their new strategic NGOs for their Futuremakers initiative to promote the economic inclusion of young people – particularly young women, girls and people with visual impairments. Futuremakers is delivered through programmes focused on education, employability and entrepreneurship.

As part of this, SOS Children's Villages was selected to run the programme in seven countries: Botswana, Côte d'Ivoire, Jordan, Mauritius, Philippines, South Africa and Sri Lanka. More than 4,000 young people will be supported through the programme over two years.

Further, our three year 'Empowering Families' partnership with M&G plc continued to support 121,000 families and young people per year in five European countries and India through education, vocational skills, mentoring and other forms of support.

We continue to support the management teams of SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to child safeguarding in the programmes we fund, working with SOS Children's Villages International to encourage incident reporting, investigation and sanctions where appropriate. This has included identifying the need for care-worker training and improvements in gate-keeping

With the support of grant funding from another member of the SOS Children's Villages Federation, Hermann Gmeiner Fonds Deutschland, we launched a new public fundraising campaign which despite delays due to COVID-19 restrictions, secured 3,302 new regular supporters for our work (in 2020, this was 290 new regular supporters, before the new campaign was launched). In addition 15 new funding partners (2020: 18 new funding partners) gave us their support during the year and we secured further support from 34 existing funding partners (2020: 54 existing funders). We were also able to ensure that 7,847 (2020: 7,805) Child and Village sponsors were kept up to date with the children and communities they were supporting. At the end of 2021, unrestricted income was 24% of our total income which is important for our ability to respond flexibly to opportunities as well as urgent programme needs (2020: 39%).



FUTURE PLANS AND OBJECTIVES FOR 2022

The Board of Trustees approved a new three year strategic framework for the period 2022 – 2024 in December 2021. Within that strategic framework we have set the following objectives for 2022:

- continue to support children who have lost parental care and families at risk of breakdown, with a focus on education and employability programmes for young people, supporting families with livelihoods and resilience related programmes, 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, together with vulnerable families in the region, working with our partners to identify changing community requirements, adapt services and programmes accordingly and identify and strive to close gaps with respect to the UN Guidelines on Alternative Care
- in line with renewed emphasis within the SOS Children's Villages Federation, work with our partners at SOS Children's Villages The Gambia and SOS Children's Villages Zambia to strengthen approaches to safeguarding of children, young people and staff
- sustain further investment in our fundraising operation, in order to sustainably increase the support we can provide to SOS programmes in the future and to ensure we deepen our existing relationships, with the aim of increasing our unrestricted income to 40% of our total income.



THANK YOU ALL

Angela Chadwyck-Healey
Cambridge Assessment
City Football Group
DeMellier
FactSet Europe
From Babies with Love
Ian & Wendy Hutton
Esther Baroudy
Nagel-Group
Lines & Current
M&G plc
Mercury Phoenix Trust
Michael Hewitt
Pinsent Masons
Shaherazad Umbreen
S Azhar
Standard Chartered Foundation
Dilys and Stephen Parkinson
Subsea 7
tcc Foundation
PDFoundation
SOS Pakistan Supporters' Group UK
Westwood Charitable Trust



A big Thank You to 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 another 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 continued to take place online – and other activities.

We further want to remember and acknowledge all those far-sighted supporters who kindly gave and fundraised In Memoriam of a loved one and who 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.

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 close relationships with donors, supporters, grant making organisations and corporate partners, and with the 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 and the Code of Fundraising Practice.

In 2021, 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. The work of SOS Children's Villages is complex and challenging and our reporting reflects this.

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.

All partnerships are formalised through 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 these activities undertaken by our corporate partners.

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.

Our Board of Trustees approved a new Ethical Partnership Policy in 2019, which sets out the criteria determining whether we can accept donations. This is reviewed on an annual basis to ensure it is kept up to date. Further information can be found on our website: <https://www.soschildrensvillages.org.uk/how-you-can-help/partner-with-us/>. We received 126 complaints about our fundraising activities in 2021, showing an increase of 26 compared to 2021. The great majority of these related to the quality of the content child sponsors received directly from our sister organisations in relation to individual sponsored children. We learn from all complaints we receive and monitor these on an ongoing basis to ensure we improve areas in need of addressing.

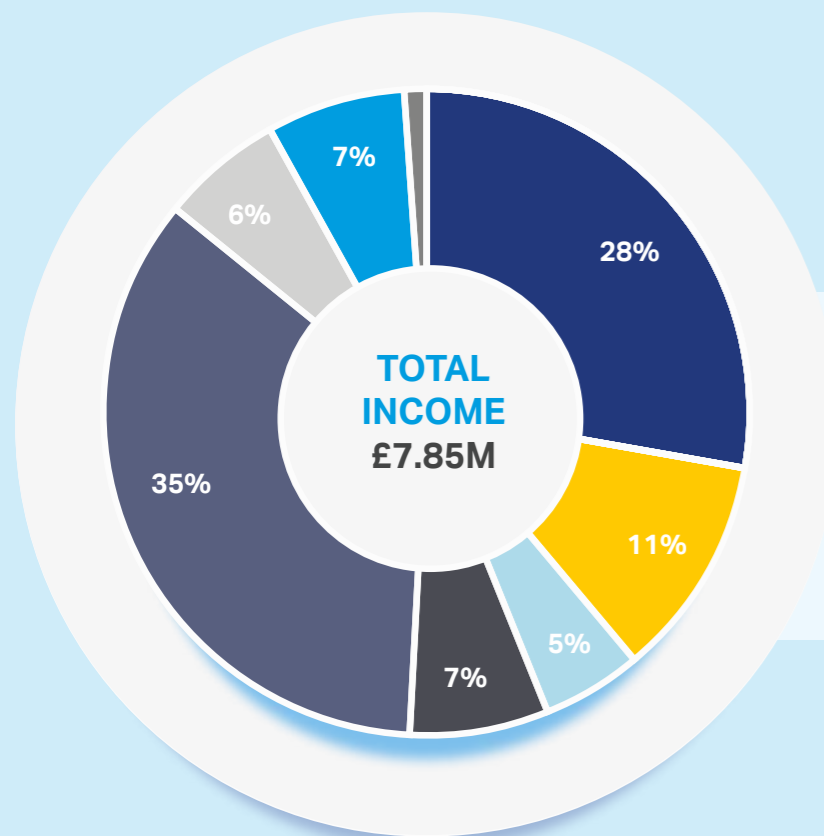
In 2021 we began to engage in public facing fundraising activities again, such as Face-to-Face, Door-to-Door, and private site fundraising. These activities helped us increase our supporter numbers significantly.

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 Covid-19 situation and unpredictable fundraising environment. 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 a result of which we were able to allocate £150k to support activities in 3 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 susanne.owers@sosuk.

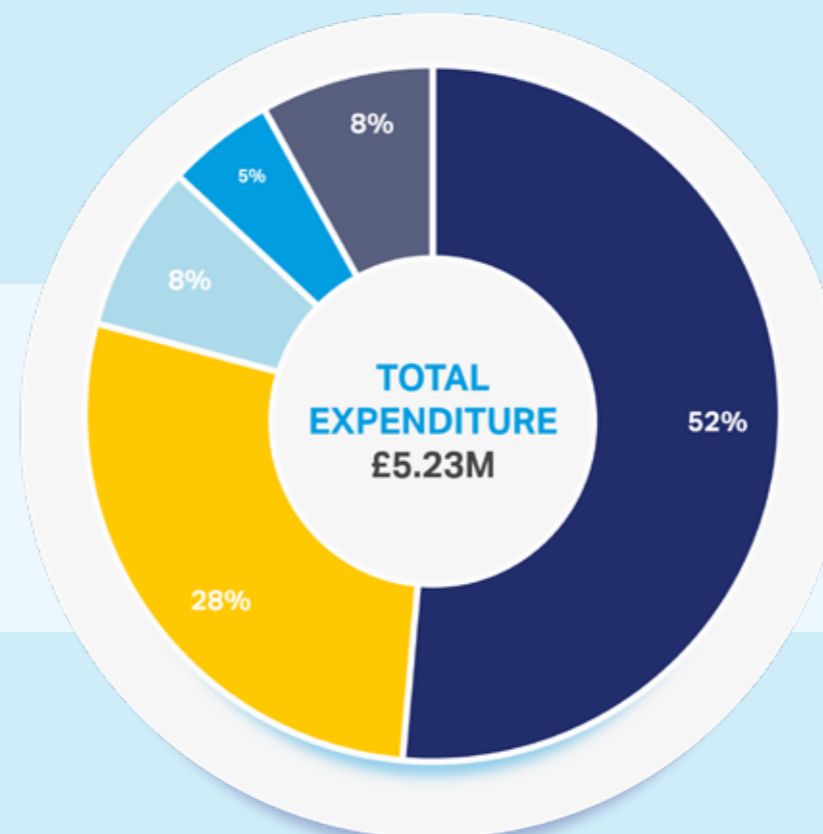


SUMMARY OF INCOME AND EXPENDITURE



FINANCIAL PERFORMANCE

	2021	2020
CHILD AND VILLAGE SPONSORSHIPS	28%	53%
CORPORATE PARTNERSHIPS	11%	12%
TRUSTS AND FOUNDATIONS	5%	5%
INDIVIDUALS AND COMMUNITY GROUPS	7%	11%
LEGACIES	35%	8%
GIFT AID	6%	11%
INSTITUTIONAL DONORS	7%	0%
OTHER INCOME	1%	<1%



TOTAL EXPENDITURE

	2021	2020
SUPPORTING CHILD AND VILLAGE COMMUNITIES	52%	38%
FUNDRAISING AND SUPPORT COSTS	28%	17%
FAMILY STRENGTHENING	8%	35%
YOUTH EMPLOYABILITY	8%	7%
RAISING AWARENESS WITH POLICY MAKERS	5%	2%
RESPONDING TO EMERGENCIES	5%	1%

(Support and governance costs of £888,709 which have been offset by an exchange gain £145,747 have been apportioned across charitable activities and raising funds based on staff time)

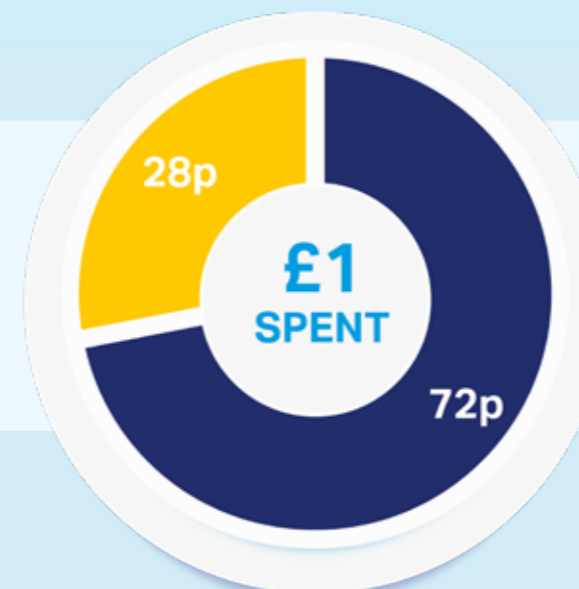
The growth trajectory of SOS Children's Villages continues to be robust as the Charity continued to show great resilience and adaptability dealing with the impact of the global pandemic.

INCOME

Total income in 2021 came to £7.85m and was £3.58m/84% higher than the 2020 outturn of £4.26m due to the consistent generosity and loyalty of our existing supporters and donors, as well as our ability to secure new partnerships with corporates, trusts and foundations and attract more supporters through our investment in fundraising. All income streams have outperformed against the prior year. As of 31 December 2021 the legacy pipeline held an estimated value of £1.4m (£72k in 2020). These are legacy gifts we have been notified of but which do not meet our recognition criteria for income in 2021.

The COVID 19 Emergency Appeal raised a further £33k in 2021 (£47k in 2020).

Additionally, the Charity has been successful in securing a three year grant from another member of the SOS Children's Villages Federation, Hermann Gmeiner Fonds Deutschland. The grant is to support a new public fundraising campaign and the amount for the first year came to £520k.



We raised £7.85 million, spent £5.23 million supporting children, young people and families and out of every £1 spent, 72p was on our programmes around the world and 28p on raising these funds.

EXPENDITURE

Expenditure in 2021 at £5.23m was higher than 2020 spend of £4.96m, representing an increase of £268k/5%.

Fundraising Activities - Investment in fundraising activities of £512k has increased compared to last year. In 2021 we scaled up our fundraising investment programme to increase the Charity's unrestricted income, as well as raising our UK brand profile.

In 2019 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 source of unrestricted regular giving. By the end of 2021, the new donor acquisition campaign returned an increase to our unrestricted income of £149k instead of the anticipated £170k due to the longer than expected Covid-19 lockdown and the resulting delay to the launch of the campaign.

Administration expenditure increased by 55% compared to the previous year as the easing of the lockdown rules allowed the cautious resumption of normal activities as well as the recruitment of staff.

Charitable Activities – As a result of raising higher than expected sponsorship income we have been able to support children in the village communities in over 100 countries including Gambia and Zambia. Equally we continue to increase our focus on the prevention of situations in which children are at risk of losing parental care through family strengthening programmes that offer long-term, sustainable solutions. Through our youth empowerment and employability programmes we prepare young people to live independent lives and develop a skills that enable them to sustain their own livelihoods and families. In addition, a total of £150k went to supporting children at risk during the Covid-19 emergency.

RESERVES

The 31 December 2021 unrestricted reserves position is £2.03m which are classified as follows:

- **Designated Funds** – As of 31 December 2021 the Charity had one designated fund which was created, at the discretion of the Trustees to protect against any potential foreign exchange loss. It continues to be maintained at least at 5% of the annual value of our international transfers and the fund balance was £206k. The second designated fund for investment in our fundraising strategy has now been fully utilised.
- **General Funds** - The Board of Trustees require the Charity to maintain readily accessible assets sufficient to fund not less than 9 and not more than 12 months of running cost, at all times. In 2021 this equated to £1.47m - £1.95m, and as at 31 December 2021, the net operational reserves were £1.82m which provides an 11-month cover of running costs.

INVESTMENTS

Investments are overseen by the Audit and Risk 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. As at 31 December 2021 our equity and bond investments with M&G have fully regained their pre-COVID value after investor confidence in the market returned in the final quarter. The end of 2021 the value of the investment was £1,253k which is £155k/14% higher than the previous year when it was £1,098k for the same level of investment, £750k in Charifunds and £250k in Charibonds.

EMPLOYEES AND 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, planning sessions and away days.

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

We will continue to support flexible working in order to recruit and retain staff, wherever that aligns with the Charity's operational requirements. 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 AND INTERNAL CONTROLS

The risks the Charity faces are formally reviewed twice a year. Any new risks that are identified are assessed in terms of the likelihood of their occurrence and their potential impact in order to rank all risks. Significant risks are highlighted for consideration and monitoring by the Finance and Audit Committee and reported to the Board of Trustees twice a year. The Senior Management Team takes the lead in terms of day-to-day management of these and other operational risks and reports on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

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.

Below is a list of five major risks the Trustees have identified and the mitigating strategies in place:

RISK	MITIGATION STRATEGY
Reputational risk arising from the actions or omissions of other SOS Member Associations or the General Secretariat	<ul style="list-style-type: none"> Maintain close working relationship with General Secretariat Communications Team. Contribute to Secretariat Crisis Communications Planning. Establish and maintain good working relationships with key media outlets. Develop staff understanding of SOS work, strengths and challenges. Crisis Communications process rolled out to staff. Safeguarding Taskforce established to make recommendations to improve oversight.

RISK	MITIGATION STRATEGY
Child or vulnerable person safeguarding incident	<ul style="list-style-type: none"> Child and Vulnerable People Safeguarding Policy in place and implemented. Regular review of safeguarding outcomes and reporting by the Safeguarding Committee of the Board of Trustees. Programme visit protocol for staff, volunteers and donors in place and implemented. Staff and Trustee training. New staff induction. Legal advice taken on Charity Commission serious incident reporting guidance.
Short term changes to programming and priorities within the Federation impacting on funding relationships.	<ul style="list-style-type: none"> Establish and maintain good working relationships with Federation Regional offices. Establish and maintain good working relationships with National Association. Directors and Project Managers. Contribute to Federation discussions on programming and priorities. Keep donors informed.
Failure to meet income targets	<ul style="list-style-type: none"> Monthly management accounts report to SMT to identify challenges and take mitigating actions. Monthly management accounts reporting to SMT to identify challenges and take mitigating actions. Ongoing cash flow monitoring. Quarterly reporting to the Board of Trustees, including income and reserves projections. Ongoing investment in fundraising strategy to grow charitable income and spread risk across income channels
Loss or misappropriation of the Charity's financial assets	<ul style="list-style-type: none"> Control procedures in place for approving financial transactions. Appropriate insurance in place. Purchasing process in place. Annual audit. Regular reporting against budgets. Quarterly reporting to the Board of Trustees.

STRUCTURE, GOVERNANCE AND 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.

SOS Children's Villages Federation

SOS Children's Villages UK is a member association of the SOS Children's Villages Federation. As a member we are consulted on, help to shape and implement the global strategy of the Federation. We have committed to support the development of two members, SOS The Gambia and SOS Zambia through our fundraising for programme activities they deliver and building their capacity for programme delivery and monitoring. In 2021, a total of 4,774 children and 287 villages worldwide were supported by sponsors in the UK. This means that supporters in the UK provided sponsorship or other financial support to SOS's work in 115 countries in total.

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.

Trustees are appointed for a term of up to five years or until the end of the year of their seventieth birthday, whichever is earlier, and may be re-appointed for a period of up to three years. Trustees are invited to attend induction and training courses and we regularly review the composition of the Board to identify potential vacancies and the need for particular skills. New Trustees are sought to replace resigning Trustees. The Board actively seeks to ensure that Trustees encompass a broad diversity of skills and background in order to support the Charity's operations.

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.
- The Human Resources Committee meets twice a year to oversee the Charity's people management policies and best practice implementation.

Additionally, in 2022 the Board of Trustees' Safeguarding Working Group was formally constituted as the Safeguarding Committee, which meets twice a year to review safeguarding outcomes and reporting.

The Trustees do not receive any remuneration for their services. Trustees may claim reimbursement of reasonable expenses necessarily incurred in carrying out their duties. 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. In 2021 an external recruitment agency supported the search for an appointment of a new Chair as result of which Harpinder Collacott was appointed to the role with effect from 1 January 2022.

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 2021. 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

SOS Children's Villages UK meets the definition of a public benefit entity under FRS 102.

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

CHAIR

Harpinder Collacott, appointed on 1 January 2022

Michael Brewer, appointed interim Chair 13 December 2020

TREASURER

Matthew de Villiers

BOARD MEMBERS

Graham Budd

Don Haszczyń

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

SENIOR MANAGEMENT TEAM

Alison Wallace, Chief Executive officer

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

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

TRUSTEES' RESPONSIBILITIES, AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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.

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 13 July 2022. Signed on its behalf on 13 July 2022.

by:



Harpinder Collacott

Chair of Trustees SOS Children's Villages UK

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

OPINION

We have audited the financial statements of SOS Children's Villages UK (the 'charitable company') for the year ended 31 December 2021 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 charitable company and how it operates and considered the risk of the charitable company 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 charitable company 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:

www.frc.org.uk/auditorsresponsibilities

USE OF OUR REPORT

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



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: 10th August 2022



Financial Statements

Statement of Financial Activities

(including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations and legacies	2	5,683,608	2,114,098	7,797,706	4,242,490
Other income	3	-	50,075	50,075	17,512
Investments	4	-	1,005	1,005	5,004
TOTAL INCOME		5,683,608	2,165,178	7,848,786	4,265,006
EXPENDITURE					
Raising funds	5	38,025	1,443,592	1,481,617	1,068,287
Charitable activities	5	3,365,725	378,333	3,744,058	3,889,656
TOTAL EXPENDITURE		3,403,750	1,821,925	5,225,675	4,957,943
Net gains/(losses) on investments		-	155,497	155,497	(114,770)
NET MOVEMENT IN FUNDS		2,279,858	498,750	2,778,608	(807,706)
Reconciliation of funds:					
Total funds at 1 January 2021	14	842,490	1,841,315	2,683,806	3,491,512
TOTAL FUNDS AT 31 DECEMBER 2021	14	3,122,348	2,340,066	5,462,414	2,683,806

All activities relate to continuing operations.

The notes on pages 69-89 form part of these financial statements.

Balance Sheet

as at 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible Assets	10	124,882	-
Tangible fixed assets	10	17,261	20,737
Investments & long term deposits	11	1,253,290	1,097,793
TOTAL FIXED ASSETS		1,395,433	1,118,530
CURRENT ASSETS			
Debtors	12	3,116,020	865,018
Cash at bank and in hand		2,082,885	1,961,016
TOTAL CURRENT ASSETS		5,198,905	2,826,034
CURRENT LIABILITIES			
Creditors: amounts due within one year	13	(1,131,923)	(1,260,758)
NET CURRENT ASSETS		4,066,981	1,565,276
TOTAL NET ASSETS		5,462,414	2,683,806
FUNDS OF THE CHARITY			
Restricted income funds	14	3,122,348	842,490
Unrestricted income funds	14	2,340,066	1,841,315
TOTAL CHARITY FUNDS		5,462,414	2,683,806

The attached notes on pages 69-89 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 13 July 2022 and signed on their behalf by:



Harpinder Collacott

Chair of Trustees SOS Children's Villages UK

Company registration number: 03346676

Statement of Cash Flows

For the year ended 31 December 2021

	Total 2021 £	Total 2020 £
Net expenditure for the year (as per the Statement of Financial Activities)	2,778,608	(807,706)
Adjustment for:		
Depreciation of fixed assets	4,335	6,114
Donated assets	-	5,750
(Gain)/Loss on fixed assets disposals	174	2,003
(Gain)/Loss on investments	(155,497)	114,770
Dividends, interest and rents from investments	(1,005)	(5,004)
(Increase)/Decrease in debtors	(2,251,002)	241,858
(Decrease)/Increase in creditors	(128,835)	(53,765)
Net cash used in Operating Activities	246,778	(495,982)
Net cash provided by/ (used in) Operating Activities	246,778	(495,982)
Cash Flows from Investing Activities		
Bank interest received	1,005	5,004
Purchase of Fixed Assets - Tangible	(1,032)	(13,481)
Purchase of Fixed Assets - Intangible	(124,882)	-
Net cash provided by / (used in) Investing Activities	(124,909)	(8,477)
Change in cash and cash equivalents in the year	121,869	(515,958)
Cash and cash equivalents brought forward	1,961,016	2,476,974
Cash and cash equivalents carried forward	2,082,885	1,961,016

The notes on pages 69-89 form part of these accounts.

Notes to the Financial Statements

For the year ended 31 December 2021

SOS Children's Villages UK is incorporated in the United Kingdom as company limited by guarantee, company number 03346676 and is a registered charity in England and Wales, registration number 1069204. SOS Children's Villages UK is a Public Benefit Entity whose registered office and operational address is Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB.

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 the Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland (FRS 102) for Accounting and Reporting by Charities, 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 18. The accounts are prepared in Pound Sterling, being the functional currency of the charitable company, and rounded to the nearest pound.

and rounded to the nearest pound.

Going concern

Whilst the COVID 19 pandemic has created unprecedented disruption of normal operations and created uncertainty about the future as a Charity we have been able to successfully adapt the way we work. A going concern review process is in place which includes a 5-year financial projection and scenario planning of income and expenditure and levels of reserves forecast. The financial plan takes into consideration the current economic and geo-political conditions and their impact on our main income streams and consequent implication for fundraising investment as well as normal spend levels. The Trustees are regularly monitoring the Charity's finance as well as key risks and therefore have a reasonable expectation that SOS Children's Villages UK has sufficient resources to continue in operational existence for the foreseeable future and they consider that there are no material uncertainties about the Charity's ability to continue as a going concern and these accounts have therefore been prepared on this basis.

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 57. The registered office address is also shown on page 57.

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 purposes they have been raised by the Charity and are shown as restricted funds in the statement of financial activities. An analysis of the movements on restricted funds is set out in Note 14 after allowable expenditure has been applied.

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. In 2021 these funds were fully utilised.

b.) 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.

Donations and grants received during the year are fully accounted in that year unless they are subject to performance-related conditions or other terms and conditions that may prevent income recognition.

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

treated as unrestricted income unless otherwise specified by the donor and is recognised at the time of the donation.

Legacies are recognised when receipt is reasonably certain, and the amount can be reliably measured. Receipt of a legacy, in whole or in part, is only considered reasonably certain when the charity has been notified of the executor's intention to make a distribution following the agreement of the estate's accounts. Where the charity is aware of the granting of probate, but the final or interim estate accounts have not been received to determine amounts receivable, then the legacy is treated as a contingent asset and disclosed if material. However, income relating to both pecuniary and residuary legacies is accrued if the amount is material and the Charity has received evidence to support its receipt within six months of the year end.

Gifts in kind i.e. goods, facilities and services donated for the charity's use, are included at a value equivalent to that which the charity would ordinarily incur on them and, are recognised in the Financial Statements, as both income and expenditure.

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. governance costs are allocated to the applicable expenditure headings.

Charitable expenditure relates to work undertaken by the charity, in supporting children and Children's Villages in which children without parental care live, delivering family strengthening and youth empowerment programme, responding to emergencies including COVID 19, sector strengthening and capacity building. Expenditure on charitable activities includes both costs that can be directly allocated as well as costs of an indirect nature such as support costs incurred to provide the infrastructure and critical Finance, HR, admin and IT service as well as a share of the governance costs.

The costs of raising funds relate to the costs incurred by Charity on activities to generate donations grants and legacies and to keep donors informed about our work. Costs are made up of salaries of people working on fundraising, supporter care and the direct costs of running fundraising campaigns as well as the indirect costs necessary to support fundraising activities.

Support costs comprise the infrastructural and organisation services that support the charitable activities. i.e. the salary of the support functions such as Finance, IT Human Resources & Admin, the Chief Executive's Office, rent, office running cost and the fee paid for being a member of the SOS Children's Villages federation.

Governance costs are those costs associated with meeting SOS Children's Villages UK constitutional and statutory requirements. These include a percentage of salaries for time spent on governance, company secretarial and external audit costs, legal, tax advice, meeting costs of the Board and its Committees and an allocation of support costs.

1. Accounting policies (continued)

1.6 BASIS OF EXPENDITURE ALLOCATION

The greatest proportion of the Charity's expenses are directly attributable to either raising funds or specific charitable activities. The remaining costs relate to support and governance costs which support more than one activity and are as a result allocated to raising funds and charitable activities based on staff time.

The basis of cost expenditure allocation is reviewed periodically for reasonableness.

Tangible Assets -Furniture & Fittings	10% per annum
Tangible Assets - Office Equipment	20% per annum
Tangible Assets- Computer Hardware	20% per annum
Intangible Assets- Software	14%-20% per annum

1.6 TANGIBLE & INTANGIBLE FIXED ASSETS AND DEPRECIATION

A new deprecation policy has been introduced in 2021 and so now all items costing more than £1,000 and are expected to have an economic useful life beyond 1 year are capitalised.

Tangible and Intangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure on an asset is only capitalised where it provides an enhancement of the economic benefits of the asset. 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:

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 in the year (2020: Nil). Income Tax incurred by deduction is reclaimed in full from the HMRC.

SOS Children's Villages UK is registered for VAT.

1. Accounting policies (continued)

1.17 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies described above, 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.

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.

Accounting estimates that have an effect on the amounts recognised

in the financial statements are described in the accounting policies and detailed in the relevant notes to the accounts:

a.) grant, legacy and gift in kind income are detailed in Note (2)

b.) The allocation of support costs which requires a judgement on the most appropriate basis to apportion costs and are detailed in Note (6)

c.) accounting estimates of asset useful economic lives and resulting depreciation charges are detailed in Note (10).

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 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gifts and donations	3,489,108	1,108,788	4,597,895	3,436,397
Legacies	2,194,500	572,230	2,766,730	337,419
Gift Aid	0	433,081	433,081	468,674
Total donations and legacies	5,683,608	2,114,098	7,797,706	4,242,490

In 2021, the Charity secured a 3 year grant from another member of the federation, Hermann Gmeiner(HGFD) to support the growth of SOS Children's Villages UK. The grant amount for 2021 came to £519,869.

By the 31 December 2021 the Charity has been notified of legacies carrying an estimated value of at least £1.4m (£72k in 2020) which have not been recognised as income in the year because the SORP FRS102 income recognition criteria has not been met.

Note 3 Other Income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other Income	0	50,075	50,075	17,512

In 2021 the Charity received £50,032 from another member of the federation under a funds swap arrangement. In 2020 other income of £17,512 was for the Coronavirus Job Retention Scheme for one staff member.

Note 4 Investment Income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	-	1,005	1,005	4,916
Dividends receivable	-	-	-	88
Investments	-	1,005	1,005	5,004

Note 5 Analysis of Expenditure - 2021

	Activities directly undertaken 2021 £	Support costs 2021 £	Total 2021 £
Cost of raising funds:			
Costs of raising donation income	637,193	332,452	969,645
Exceptional investment in fundraising strategy	511,972	-	511,972
Total cost of raising funds	1,149,165	332,452	1,481,617
Charitable activities:			
Supporting Children & Village Communities	2,382,007	402,516	2,784,524
Family Strengthening	381,665	58,648	440,312
Youth Employability	358,745	59,863	418,608
Emergency Programmes	211,130	35,231	246,361
Total Charitable Activities before exchange movements	3,333,548	556,257	3,889,805
Exchange gain		(145,747)	(145,747)
Total Charitable Activities after exchange movements	3,333,548	410,510	3,744,058
Total Expenditure	4,461,233	764,442	5,225,675

Support costs include the impact of an exchange gain of £145,747 (in 2020 £99,037). Refer to note 6 for a further breakdown of Support Costs.

Analysis of Expenditure - 2020

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

Note 6 Support costs - 2021

	Raising funds 2021 £	Charitable activities 2021 £	Total funds 2021 £
Personnel costs	174,934	101,931	276,865
Premises cost	36,090	21,029	57,119
IT & website costs	47,980	27,957	75,937
Other support costs	73,448	236,115	309,563
Governance (note 7)	-	169,225	169,225
Total	332,452	556,257	888,709

Support costs - 2020

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

Support costs are allocated across the charitable activities to give the most accurate view using staff time as the basis. Support costs comprises of management administrative and governance costs which is made up of Chief Executive, Communications & Marketing, Finance, Information Technology, Human Resources and office running costs.

Included in Other support cost is the membership fee the Charity pays to be part of the federation and in 2021 the amount came to £253,500 (2020 £331,302). In 2021, membership fees have been apportioned based on the time spent by the International Office on the various activities which is different to the previous year, which was the time spent by SOS UK staff on the various activities.

Note 7 Governance - 2021

	Charitable activities 2021 £	Total funds 2021 £	*Total funds 2020 £
Staff costs	136,076	136,076	117,921
Chair recruitment	12,000	12,000	-
Audit fees	13,140	13,140	11,970
Legal fees	7,307	7,307	-
Meetings	259	259	
Other	444	444	
Total	169,225	169,225	129,891

* Costs are in relation to charitable activities only.

Note 8 Net expenditure / (income)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the Charity	4,335	6,114
Loss on the disposal of fixed assets	174	1,578
Auditors' remuneration	13,140	11,970
Operating lease payments	43,229	85,291
Pension	40,693	36,624
Foreign exchange (gain) / loss	(145,747)	(99,037)

Note 9 Staff costs

	2021 £	2020 £
Wages and salaries	954,659	835,608
National Insurance costs	105,006	79,082
Pensions and other costs	40,693	36,624
Total	1,100,357	951,315

No severance payments were made to any employees in 2021 (2020: £3,000).

Average number of staff employed

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

	2021	2020
Fundraising	13.30	11.00
Programme Management	0.80	-
Communications	4.10	5.00
Finance / IT & Admin	6.20	5.50
Total	24.40	21.50

The key management personnel of the charity comprise of the Trustees and 5 others (2020: 5) being the Chief Executive Officer, the Director of Finance & IT, the Director of Fundraising, the Director of Individual Giving and the Director of Communications. No Trustees received any remuneration or benefits in kind from the charity (2020 - none). The total employee benefits of the key management personnel of the charity comprised of their salary, employer national insurance and pension contributions totaling £421,061 (2020 - £416,204).

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:

	2021	2020
In the band £60,000 - £70,000	2	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 £15,938 (2020: £10,658).

Note 10 Tangible & Intangible fixed assets

	Tangible fixed assets			Intangible fixed assets	Total fixed assets	
	Furniture & fittings £	Computer Equipment £	Total £	Computer software £	2021 Total £	2020 Total £
COST:						
At 1 January 2021	11,939	110,442	122,381	-	122,381	152,257
Additions	-	1,032	1,032	124,882	125,914	19,231
Disposals	(1,977)	(62,223)	(64,200)	-	(64,200)	(49,107)
At 31 December 2021	9,962	49,251	59,213	124,882	184,096	122,381
DEPRECIATION:						
At 1 January 2021	3,855	97,788	101,644	-	101,644	142,598
Charge for the year	493	3,842	4,335	-	4,335	6,150
Disposals	(1,889)	(62,137)	(64,026)	-	(64,026)	(47,104)
At 31 December 2021	2,459	39,494	41,953	-	41,953	101,644
Net book value:						
At 31 December 2021	7,503	9,757	17,261	124,882	142,143	20,737
At 31 December 2020	8,083	12,654	20,737	-	20,737	9,622

Note 11 Investments

	Listed investments 2021 £	Listed investments 2020 £
MARKET VALUE:		
At 1 January	1,097,793	1,212,563
Additions	0	0
Unrealised gain or (loss) on investments	155,497	(114,770)
At 31 December	1,253,290	1,097,793
Comprising of:		
Fixed interest	255,601	259,391
Equities	997,689	838,402
Total market value	1,253,290	1,097,793
Total historical cost of investment	1,000,000	1,000,000

Note 12 Debtors

	2021 £	2020 £
Other debtors	211,351	142,669
Prepayments and accrued income	2,868,487	647,778
Tax recoverable	36,182	74,571
Total	3,116,020	865,018

Note 13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	15,518	15,086
Other taxation and social security	42,945	27,102
Other creditors	36,468	10,918
Accruals	1,036,992	1,207,652
Total	1,131,923	1,260,758

Note 14 Statement of funds

Current Year	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,611,150	1,852,678	(1,821,925)	24,580	155,497	1,821,981
Designated funds:						
Fundraising research & investment reserve	24,580	0	0	(24,580)	0	0
Foreign exchange reserve	205,584	0	0	0	0	205,584
India Legacy	0	312,500	0	0	0	312,500
Unrestricted funds sub total	1,841,315	2,165,178	(1,821,925)	0	155,497	2,340,065
RESTRICTED FUNDS						
Zambia	39,098	7,756	0	0	0	46,854
Gambia - YEP Project, Basse	70,041	161,646	(130,238)	0	0	101,450
Sponsorship fund	62,125	1,758,889	(1,817,241)	0	0	3,773
Africa – general	235,576	5,968	(227,519)	(14,025)	0	0
COVID 19 Appeal	264,811	32,968	(149,532)	8,644	0	156,891
Standard Chartered Foundation	0	459,218	(60,815)	0	0	398,403
M&G	0	240,000	(240,805)	0	0	(805)
Other Emergency Responses	27,629	2,687	(34,925)	5,381	0	772
Other projects <£50k	143,209	307,106	(222,806)	0	0	227,509
HGFD Grant	0	519,869	(519,869)	0	0	0
India Legacy	0	2,187,500	0	0	0	2,187,500
Restricted funds sub total	842,490	5,683,608	(3,403,750)	0	0	3,122,348
Total funds	2,683,804	7,848,786	(5,225,675)	0	155,497	5,462,415

Note 14 Statement of funds (continued)

Prior Year	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General fund	1,943,275	1,678,117	1,839,888	(55,584)	(114,770)	1,611,150
Designated funds:						
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
Unrestricted funds sub total	2,153,901	1,678,117	1,875,934	-	(114,770)	1,841,315
RESTRICTED FUNDS						
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
Restricted funds sub total	1,337,611	2,586,889	3,082,010	0	0	842,490
Total funds	3,491,512	4,265,006	4,957,944	-	114,770	2,683,806

Designated funds held for investment in fundraising activities have now been utilised. 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. In 2020 the Trustees agreed to reallocate old, restricted fund balances for emergency COVID-19 support. Transferred funds have been utilised within the same countries originally specified by the donors.

Note 15 Analysis of net assets between funds - Current Year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	-	124,882	124,882
Tangible fixed assets	-	17,261	17,261
Investments	-	1,253,290	1,253,290
Current assets	3,122,348	2,076,557	5,198,905
Creditors due within one year	-	(1,131,923)	(1,131,923)
Total	3,434,848	2,027,566	5,462,414

Analysis of net assets between funds - Prior Year

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

Note 16 Analysis of changes in net debt

	Balance brought forward 01/01/2021 £	Cashflow £	Balance carried forward 31/12/2021 £
Cash in hand	1,961,016	121,869	2,082,884

Note 17 Operating lease commitments

At 31 December 2021 the Charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2021 £	2020 £	2021 £	2020 £
Expiry Date:				
Within 1 year	42,000	42,000	4,208	3,467
Between 2 and 5 years	105,000	147,000	9,356	1,359
After more than 5 years	0	0	0	0
Total	147,000	189,000	13,564	4,826

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 2021 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. These shares were written down to nil value in the 2002 accounts and the company ceased trading on 31 December 2001 and has remained dormant since that date.

During the year under review a sum of £28,875 (2020 £27,868) was received from the Pakistan Support Group and a further amount was received directly from PSG child sponsors £52,170 (2020 £66,075). A Khan, who resigned from her position as a trustee of SOS Children's Villages UK in 2019 is currently a bank signatory of the Pakistan Support Group.

Hong Kong Friends of SOS Children Limited is a branch of SOS Children's Villages UK and not consolidated on the basis of materiality. During the year under review Hong Kong Friends of SOS Children Limited had a turnover of £4,084 (2020 £2,212) and a net deficit of £3,051 (2020 net deficit £3,149).

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 (2020: Nil).

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