

ANNUAL REPORT 2021



**Save the
Children**

TOGETHER

WE POWER

POSSIBLE



TENNEH IS UNSTOPPABLE

We believe that every child is full of potential, just like Tenneh who appears on the cover of this annual report.

Tenneh, 13, who lives in a remote corner of Sierra Leone, goes to great lengths to get an education. The only way she can reach her school is across a river. So every morning she powers her way there in her canoe – no matter what the weather.

“When I am sitting in my boat on the way to school and the wind is blowing, I park and wait for the wind to stop. Then I jump back into my boat quickly so I can get to school early,” says Tenneh.

We’ve rebuilt schools in Sierra Leone, kitted out pupils and trained teachers. Now Tenneh’s school stands out, with students achieving above the national average in their exams.

We’re making sure girls like Tenneh across the world can get an education and the chance to build the future they deserve. In the pages that follow, you’ll read more about the progress we’ve made this year.

“I want to be

educated

and help my parents...

the school is beautiful”



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

CONTENTS

WHO WE ARE

We believe that every child is full of potential. We support children to transform their own lives, and are committed to making a positive, lasting difference for and with children. We put children's rights at the core of everything we do.

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

IN MEMORY

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

“There is hope for a better future”:
Foreword from the Youth Advisory Board 2

Making better possible: Letter from
HRH The Princess Royal 3

TRUSTEES' REPORT

Message from the Chief Executive and Chair 4

A global movement 6

Breakthrough: survive 8

Breakthrough: learn 14

Breakthrough: be protected 18

Child poverty 24

The climate and environmental emergency 26

Working in partnership 30

People and culture 36

Our strategic priorities: The road ahead 38

Financial performance 39

Annual trustee risk statement 44

Structure, governance and management 49

FINANCIAL STATEMENTS

Independent auditor's report 63

Statement of Trustees responsibilities
in respect of the Trustees' Annual Report
and the financial statements 66

Financial statements 67

“There is **hope**

for a better future”

Formed in 2021, the Youth Advisory Board is made up of 18 young people aged 12-18 from across the UK. The Board works closely with Save the Children UK staff to help shape projects across our campaigning, fundraising, media and brand work in the UK. For more information, please see page 30.

I got involved in youth activism because I strongly wanted to give a voice to the people who are often not heard or are neglected. In particular, I want to highlight the crucial role that education plays in a child's life. For example, many children are forced to work for low wages and as a result, cannot go to school themselves, leaving many stuck in a destructive cycle that steals away their chance to grow and flourish.

Having grown up in India, I went to a village where children were discouraged from going out of their houses during the summer. After talking to some people in the local community, I learnt that it was because they believed the devil would get them. In fact, the 'devil' was dehydration and diarrhoea, caused by the immense heat. This made me realise how important education is for changing a person's life.

Talha, 18
Youth Advisory Board member

We want world leaders to pay more attention to young voices. Many issues like poverty, climate change and low levels of literacy affect the younger generation directly. Leaders need to work with us, not just for us. As young people living in the UK, we want our government to be transparent on such pertinent issues. These issues affect so many people and can often disproportionately affect young people. For example, income inequality doesn't just affect working class parents but also the children who experience negative repercussions.

As young adults, we understand that there are some truly complex issues and answers are not straightforward; there are a lot of stakeholders and situations to consider before making policies that can be life changing. But, as young people, we can bring a fresh and current perspective, and we hope that our involvement can help world leaders move towards attaining a globe where suffering is diminished.

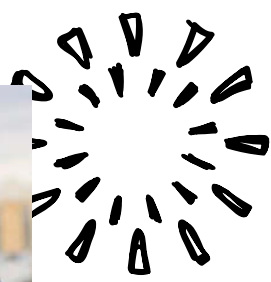
Reese, 18
Youth Advisory Board member

As Board members, our activities have ranged from incredible campaigning workshops to presenting deeply meaningful videos like 'Climate Crisis: You're Invited'. Yet, being on the board was so much more than the work alone. I learnt so much from the passion, determination, kindness and creativity that shone from the fellow board members and the people who helped orchestrate it.

The Youth Advisory Board is a gleaming reminder that there is hope for a better future. A future where people of all backgrounds come together to improve the conditions of children around the globe.

Joining Save the Children for 2021 was one of the best decisions I have taken – I can't wait to continue in 2022!

Yasmeen, 17
Youth Advisory Board member



MAKING BETTER POSSIBLE



PHOTO: ANNA GORDON/SAVE THE CHILDREN

In a year when the world continued to contend with the impact of COVID-19, Save the Children stayed committed to supporting the vision of our founder, Eglantyne Jebb. We worked to help create a world where every child receives a healthy start, a chance to learn and protection from harm.

Taking the lead from children's endless energy, creativity and passion, we responded boldly to meet their rapidly changing needs. We kept education alive for millions under lockdown. Through its Emergency Fund, Save the Children UK acted quickly as needs emerged, whether the humanitarian disaster in Afghanistan or the conflict in Ukraine. These crises have added to the growing list of other countries in difficulties, such as Yemen, Syria and Ethiopia where we focus our operations. Our UK staff also helped on response logistics, programming and planning for long-term impact. We will continue to play an active role in striving to improve every child's long-term future.

We have of course stood by parents in the UK to give their children the best start in life. In the face of uncertainty and disruption, we found innovative new ways to help children. One inspiring example saw us join forces with 30 organisations from across the UK for a 'Summer of Play'. It gave children the space, time and freedom to simply enjoy themselves together, after missing out on so much over the past year.

Despite the continued challenges they've faced this year, the devotion of Save the Children's supporters has not

wavered. In September, I was pleased to attend my first 'in-person' engagement for Save the Children in two years. It was to meet partners who have dedicated almost 30 years of service to supporting the organisation. Our staff, volunteers, supporters and partners have stayed committed to children in the UK and around the world, making a positive, lasting difference even amid COVID-19, conflict and natural disasters, often working in the most difficult and dangerous environments.

Save the Children knows that children should not be defined by their situation – it does not determine who they are and who they can become. Our 100-year history is evidence that change is possible and a better world for children can be built. We continue to depend on the commitment of all involved to support this change.

I am extremely grateful for everything you have done for children this year. Thank you for being with us and the children we work with, as we continue to work for a better future for children.

**HRH The Princess Royal
Patron, Save the Children UK**

MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

In a year that was once again dominated by COVID-19 restrictions and lockdowns, we're immensely proud of everything our colleagues here in the UK and around the world achieved for and with children in 2021.

Last year, our teams continued to adapt to the impact of the pandemic, harnessing their collective expertise and experience to provide urgent support to families in crisis, virtually and physically. The achievements for children set out in this report – from our Suchana nutrition programme in Bangladesh (page 11), to our flagship pneumonia work in Nigeria (page 12), to our Keep the Lifeline campaign here in the UK (page 24) – is testimony to their dedication, hard work and resilience. We also had a change in leadership, with Kevin Watkins stepping down as Chief Executive in July 2021 after five years in the role. We thank Kevin for his commitment and diligence.

Some of our staff lost their lives during the last year in their efforts to keep children safe. We want to take this opportunity to remember these colleagues and pay tribute to their courage. Our thoughts are with their loved ones.

LOOKING BACK TO DRIVE FORWARD

Every day, we see the amazing resilience of the children and families we are here to serve. But the triple threat of COVID-19, conflict and climate change continues to make their lives increasingly hard.

Our recent [Stop the War on Children](#) report found that nearly 200 million children were living in the world's most lethal warzones. This is the highest number in over a decade and doesn't take into account the conflict in Ukraine, which has put 7.5 million extra children in danger of physical harm, severe emotional distress and displacement. Here in the UK, more and more children face growing hardship, with 3.9 million now living in poverty – a number which is likely to grow significantly as the cost-of-living crisis mounts.

As the conflict in Ukraine sends global food prices soaring, droughts and floods exacerbated by climate change has seen malnutrition rates skyrocket: 5.7 million children under five are now just one step away from famine. Nowhere is the situation more severe than in the Horn of Africa. Four consecutive failed rainy seasons, combined with rising

Lexie, 11, from Wallsend takes part in our Summer of Fun, which we organised for children across the UK to help reverse the damaging effects of lockdown.



food prices, have led to a deepening food crisis affecting 18.5 million people in Somalia, Ethiopia and Kenya. We know that failure to act now will prove catastrophic. We must save lives and prevent hunger in the short-term, whilst making systems more resilient for the future – this is one of our key priorities (page 10).

THE ROAD AHEAD

Statistics like this make hard reading, but if the last two years have taught us anything, it's that – when we work together – we can tackle the greatest challenges of our time and achieve remarkable progress. This report contains plenty of examples to prove the power of partnership. That's why our new strategy – [‘Let's make Better Possible’](#) – sets out how we'll work in greater collaboration with children, to help them see what's possible and how they can realise their potential. It charts a course towards our three long-standing breakthrough objectives – that all children survive, learn and are protected.

Our strategy adds a fourth objective: to help families in crisis and to build resilience to future shocks. We will continue to provide high-quality emergency assistance to children whenever they need us. But we know that the number of shocks will rise, thanks to COVID-19, conflict and climate change. So we will step up our campaigning for global action to tackle these threats. We'll also help vulnerable communities to get access to safety nets, including social protection systems and innovative risk insurance instruments, that pay out when humanitarian assistance is required, so families can cope better.

As a child rights organisation, we must double down on our commitment to prioritise the rights of children left behind due to poverty, inequality and discrimination. We will build a global movement for change – led by children and young people – who believe that a fairer, greener future is possible. We will also harness innovations, including technology, data and evidence, to help us achieve an even greater impact.



As the climate crisis worsens, we're making sure families like Amina's from Somalia can access clean water.

PHOTO: SACHA MYERS/SAVE THE CHILDREN

In line with our Diversity and Inclusion strategy – ‘Free to be me’ – we will seek ways to transfer power and resources over to local communities, partners and the children we serve, because those closest to the challenges we seek to address are best placed to take them on.

Internally, we'll continue to prioritise our people and culture work. In 2021, this included the launch of our new mentoring programme ‘Breaking Barriers’, designed to promote the confidence, career progression and development opportunities of staff from minority groups. We know there is still more to do and we look forward to driving forward this incredibly important work.

We have set our ambitions high and we are very grateful to our supporters for coming on this journey with us – our work wouldn't exist without you. We know there will be challenging times ahead, and we remain steadfast in our commitment to show up for children each and every day. We know that together we can help children build the future they deserve.



PHOTO: ALBARA MANSOOR/SAVE THE CHILDREN

Ahmed, 16, lost both his legs and his left hand during shelling in Yemen. We helped him get vital medication and psychological support, and made sure he could continue his education.

Gwen Hines
Chief Executive, Save the Children UK



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



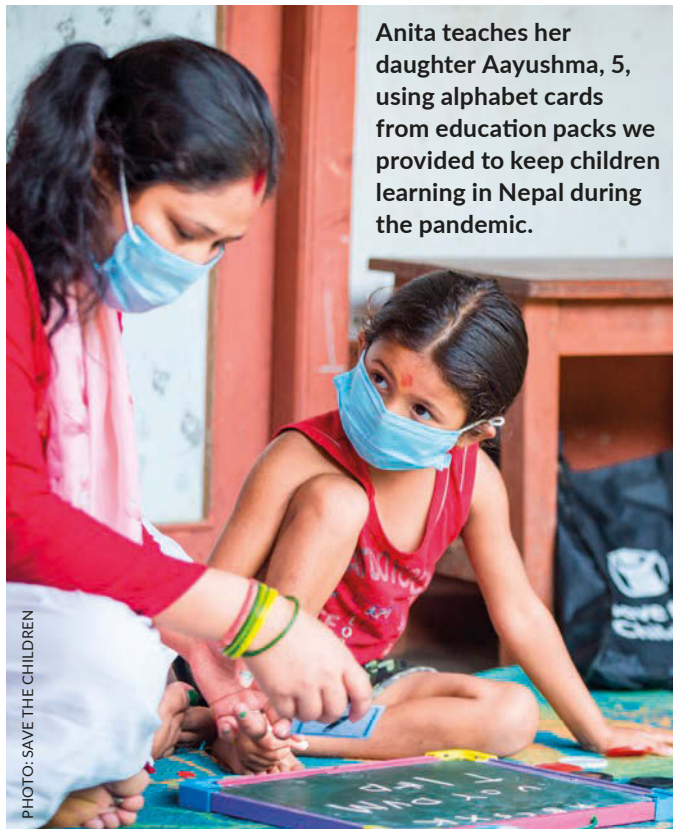
A GLOBAL MOVEMENT

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

In 2021, through our work with local and global partners, the Save the Children movement directly supported 43 million children in 118 countries around the world.

In all our work, we aim to:

- build partnerships – to increase our influence and impact (see page 30 for more on how we're working in partnership)
- innovate – develop and demonstrate evidence-based, replicable solutions to the problems children face
- achieve results at scale – by expanding effective and sustainable approaches
- be the voice – campaign for better practices and policies to fulfil children's rights and ensure their voices are heard.



Anita teaches her daughter Aayushma, 5, using alphabet cards from education packs we provided to keep children learning in Nepal during the pandemic.

PHOTO: SAVE THE CHILDREN

SAVE THE CHILDREN UK AS PART OF THE MOVEMENT

In 2021, Save the Children UK supported the global movement in 45 countries. We provided technical expertise, funding, strategic and governance support, advocacy, programme management and humanitarian response work. We also supported staff, partners and the wider sector with capacity strengthening programmes.

OUR SHARED 2030 AMBITION

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

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

The movement brings together the collective strength of all its members and country offices to work towards these ambitious targets. But we know we cannot reach them alone and we recognise our role as part of a worldwide movement. Together, we'll do everything we can to achieve these world-changing ambitions for children.

THE NEXT THREE YEARS

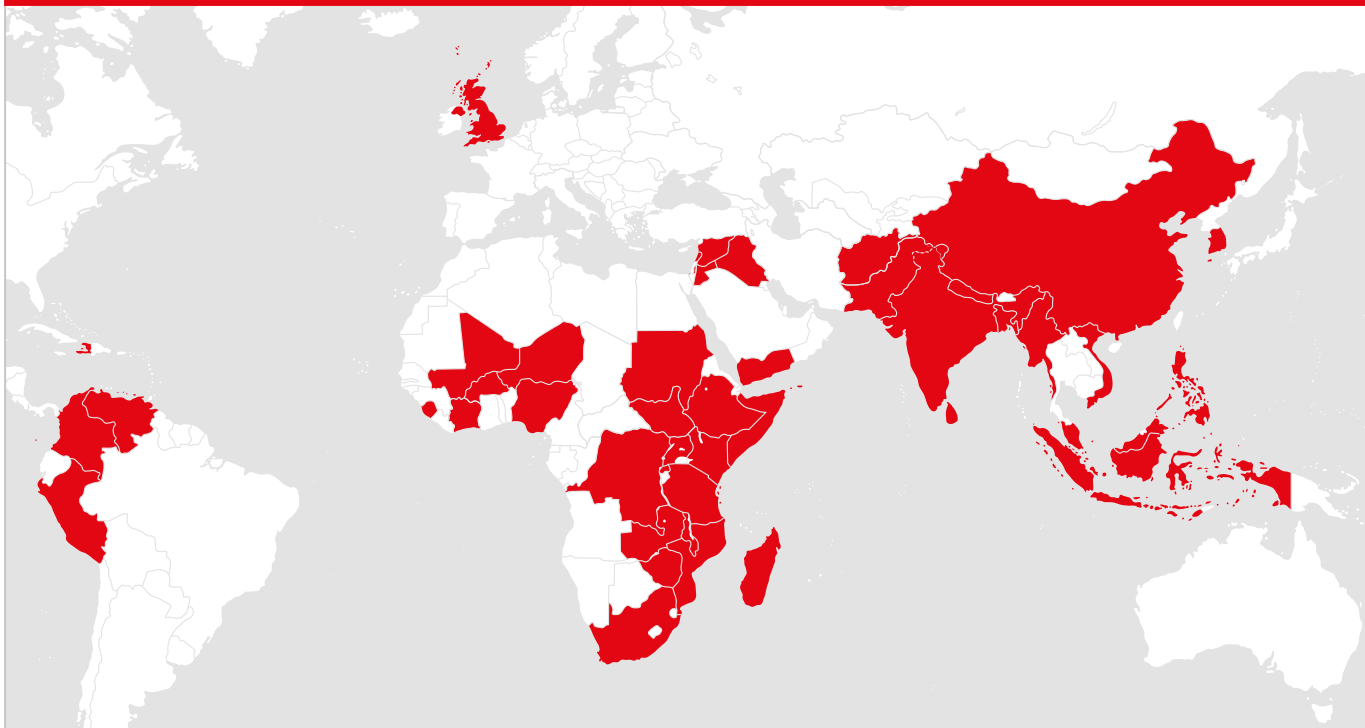
To move us rapidly towards our 2030 ambitions, the Save the Children movement has developed its 2022-24 strategy. It aims to help all children gain:

- a healthy start in life
- a safe return to school and access to quality learning
- a childhood free from violence
- resilience to cope with future shocks.

We'll tackle the triple threat of COVID-19, conflict and the climate crisis, and we'll prioritise the rights of the children worst-affected by inequality and discrimination.

Save the Children UK will play a pivotal role in delivering each of the four strategic goals – working with and for children to bring about long-lasting change in the UK and around the world. Here in the UK, we'll focus particularly on children's learning and support for families.

The Save the Children movement works in 118 countries. In 2021, Save the Children UK supported the movement in 45 of these countries – as highlighted in the map below.*



* Around £49 million of global programming spending is multi-country, and these countries are not reflected in the map above. This includes [Start Network](#) grants (please see page 50 for more information) for which we have a contract with donors as the grant custodian, and our subsidiary entity Elrha. It also includes humanitarian spend through our Emergency Health Unit and humanitarian department and programmatic contributions to Save the Children country and regional offices.

We'll transform how we work with children and communities, so they have a big say in what needs to change and how. We'll build a movement of support behind our cause. We'll accelerate our impact using tech, data and evidence. And we'll create a kind and inclusive organisation.

Save the Children UK's contribution to the movement's strategy is set out in '[Let's Make Better Possible](#)' – our own strategy for 2022–24. See page 38 for more details.

TRACKING OUR PROGRESS

We have clearly defined measures of success set out in our Global Results Framework. This framework helps us track how our day-to-day work leads to progress towards our 2030 breakthroughs for children.

POWER SHIFT

In 2021, as part of our 2022–24 organisational strategy, we committed to the principle of 'shifting power' – away from ourselves and towards community-based organisations, communities and children. This means sharing our resources, experience, data, knowledge and skills to forge truly equitable partnerships, where our partners have the tools and knowledge they need to make an impact.

It involves building alliances between small organisations rooted in the experience of communities with larger organisations that have the reach to create change at scale.

We commissioned external consultants DA Global to study localisation and decolonisation practices at Save the Children UK. They led a series of discussions with staff across the organisation on 'shifting power' and how we can make our work more inclusive. We have also set up a Shifting the Power Steering Group and produced Ethical Storytelling guidelines.

See page 13 to read more about how we are investing in shifting power through our work with the Humanitarian Leadership Academy.

BREAKTHROUGH: SURVIVE

Global breakthrough: by 2030, no child will die before their fifth birthday from preventable causes

In 2021, we found new ways – and used tried and tested approaches – to save millions of children’s lives.

We provided children most affected by inequality and discrimination with the health care and nutrition they needed to survive.

As more waves of the COVID-19 pandemic swept through the countries where we work, we stepped up our emergency response. Alongside community-based organisations, we provided life-saving medical care and set up hospitals to treat COVID-19 patients.



Baby Eshe* has just received her measles vaccine at an Emergency Health Unit clinic in Tigray, Ethiopia.

PHOTO: SAGHA MYERS/SAVE THE CHILDREN

26.5 MILLION CHILDREN

reached through our movement’s health and nutrition programmes in 2021

As a global hunger crisis pushed 45 million people to the brink of famine, we worked to treat and prevent malnutrition. And we pioneered new programmes to reduce the risk of children becoming malnourished in the first place.

We focused on tackling pneumonia, the single largest infectious killer of young children worldwide, inspiring extra global funding, pushing to make vaccines more available and providing oxygen to children struggling to breathe.

Our activities to help children survive are part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations, and financed by a range of Save the Children members and donors.

EMERGENCY HEALTH UNIT

When disaster strikes, Save the Children’s Emergency Health Unit (EHU) of doctors, nurses, midwives, engineers and supply-chain specialists can respond within a matter of hours.

In 2021, we deployed the EHU 13 times to 11 countries. These responses included:

- a mass vaccination campaign for measles in the Democratic Republic of Congo (DRC), where the EHU supported our country office and the Ministry of Health to administer over 270,000 vaccinations to children
- vaccine campaigns for COVID-19 in the DRC and cholera in Ethiopia, which immunised 12,706 and 418,719 individuals respectively
- setting up six mobile clinics in Tigray, Ethiopia, which reached 36,000 people with services, including primary healthcare, sexual and reproductive health services, and screening for malnutrition.

In all, the EHU reached 1,135,568 people, including 471,942 children, in 2021.

COVID-19 IN INDIA



We've provided children like Chandra*, Anam* and Sohag* (left to right) in India with masks and information about how to protect themselves against COVID-19.

PHOTO: ROHIT/SAVE THE CHILDREN

In April 2021, India faced a devastating second wave of COVID-19, with new case numbers surging to nearly 400,000 per day at its peak. Health systems were overwhelmed, and many hospitals ran out of oxygen and beds.

With the tremendous support of the UK public, who contributed generously through the DEC Coronavirus Appeal, as well as partners such as AXA XL, Collinson, GSK, Unilever and Virgin Atlantic, we supported Save the Children India to bolster government public health systems. Together, we:

- delivered supplies and equipment, including testing kits and more than 2,000 oxygen concentrators
- set up three 'pressure swing absorption' oxygen plants, which include everything needed to produce large volumes of medical-grade oxygen
- worked with community-based organisations, such as the Centre for Youth Development and Activities, to set up temporary COVID-19 hospitals and quarantine centres in a densely populated slum in Pune City
- provided cash transfers to families struggling to cope with the financial impact of COVID-19.

VACCINES FOR ALL

Part of what made India's second wave so devastating was a lack of access to vaccines. When the second wave peaked in April only 1.9% of the country had been fully vaccinated, and that number had still only reached 43% by the end of December.

In 2020, the world came together to set up COVAX, a global mechanism for the pooled procurement and equitable distribution of COVID-19 vaccines. It was a welcome step, but by the end of 2021 fewer than 10% of people in low-income countries had received at least one vaccination dose. This was in part due to some governments in richer countries building stockpiles of doses.

Throughout 2021, we worked alongside various coalitions and allies, including Wellcome Trust, the Bill & Melinda Gates Foundation, ONE and others for vaccine fairness. Together, we campaigned for the redistribution of vaccine stockpiles and equitable access to all forms of lifesaving COVID-19 vaccines and treatments. We also pushed for the pharmaceutical industry to share vaccine recipes to allow manufacturers in low- and middle-income countries to make their own.

At the G7 meeting in June, there were a series of high-profile commitments to share doses and in October, G20 leaders established the aim of vaccinating 70% of the world by mid-2022. However, they did not agree on how that goal would be funded. We continue to call on world leaders to meet their commitments.

It's important to note that the impact of COVID-19 has also reduced children's access to routine childhood immunisations, putting them at risk of illness and death from vaccine-preventable diseases. UNICEF estimates that [80 million children under one year old](#) may have missed out on routine vaccinations due to the pandemic.

COVID-19 CHALLENGES

COVID-19 again affected our ability to deliver our work, particularly on education, as schools remained closed for long periods. We responded with innovative distance-learning approaches and professional development for teachers.

The pandemic also curtailed travel and face-to-face engagement with partners, project teams and campaign champions. However, we learnt a lot during 2020 and were much more effective in providing support remotely. Reducing our need for travel also supports our commitment to reducing our carbon emissions. See page 29 for more information.

A GLOBAL HUNGER CRISIS



Filmon*, 2, is held by his mother Azeb* while he's screened for malnutrition at an Emergency Health Unit clinic in Tigray, Ethiopia.

There are as many as 811 million undernourished people in the world. In the past few years, a combination of COVID-19, conflict and climate change has seen the number of people on the brink of famine rise from 27 million in 2019, to 45 million by November 2021. Parts of Ethiopia, South Sudan, Syria and Yemen have been hardest hit.

And things are getting worse. As the crises in Afghanistan and Ukraine deepen and drought tightens its hold across sub-Saharan Africa, food and access to safe water is becoming unattainable for millions.

That's why we are acting now to prevent the loss of lives and livelihoods – early action is key to avoiding the worse effects of food crises and is more cost-effective than

responding once those crises have really taken hold. We are working with others to call for a huge and urgent increase in funding to prevent famine and severe hunger in the most at-risk countries.

MEETING IMMEDIATE NEEDS

In 2021, we researched and piloted new approaches to both prevent food crises and help more children access treatment for malnutrition in some of the world's hardest-to-reach places.

We supported community-based work in Somalia, Kenya, South Sudan, Afghanistan and Yemen to diagnose, treat and prevent malnutrition. We enabled families and caregivers to

THE EMERGENCY FUND*

Some emergencies capture more public attention than others. Some disasters don't make the news at all. There are no public appeals for funds to help children caught up in these hidden emergencies – highly vulnerable children who remain invisible to a world that isn't watching.

In 2021, we and other Save the Children members launched the Emergency Fund so we can distribute

resources quickly and efficiently in response to disasters that don't make the news. It pools more than \$50 million from across the Save the Children movement into a flexible, central fund. It means we are ready to respond when disaster strikes or when situations deteriorate in the volatile contexts in which we work.

* Previously referred to as the Children's Emergency Fund.

detect acute malnutrition themselves, vital for those who live hours from the nearest health centre or cannot afford to pay for care. And we identified the approaches that worked best and then used them to influence and support governments to scale them up.

LONG-TERM MEASURES

Our approach to tackling hunger does not just encompass immediate life-saving work. In 2021, we helped some of the world's most vulnerable communities to change their diets for good.

One pioneering example is our Suchana programme, jointly funded by the UK government and the European Union, which aims to reduce stunting in rural Bangladesh by addressing several of the key causes of malnutrition. It has reached more than 235,000 households since its inception in 2016.

A large-scale randomised control trial found that while the programme did not reduce stunting it did tackle many of its underlying causes – boosting household income, improving infant feeding practices and increasing the diversity of families' diets.

The project is being implemented in four phases. In the first phase of the project we found that in the households Suchana supported, the proportion of:

- mothers exclusively breastfeeding increased from 62% to 85%
- infants getting a minimum acceptable diet increased from just 10% to more than a third
- mums eating a diverse diet almost doubled – rising from 27% to 53%.

And median household incomes increased from 80,000 taka (£736) to 96,000 taka (£883) per annum.* While rural Bangladesh has been severely affected by the COVID-19 pandemic, our data suggests that the project has maintained these positive results into its later phases.

MANY MEMBERS, ONE VOICE

Save the Children UK hosts the secretariat of the Scaling Up Nutrition Civil Society Network (SUN CSN). The network comprises more than 3,000 local, national and global members, including human rights defenders, community organisations, women's groups, smallholder farmers, research agencies, child rights advocates and more.

It aims to galvanise its members to build relationships, share resources and advocate with one voice for action



Baby Mbombu* held by her mum Bakaji* at a Save the Children-supported community health centre in DRC.

A CHILD-CENTRED APPROACH TO HUNGER

Children's views increasingly shape the way we work. In 2021, we consulted children in South Sudan, Somalia, Madagascar and Kenya, aiming to understand their needs and priorities, as well as how they want to be involved in addressing the challenges they face.

The consultations demonstrated that a lack of food affects their ability to go to school, to concentrate and learn, to form healthy relationships with their families, and to avoid damaging activities such as theft or drug use. We used our findings to inform our response and to influence other humanitarian organisations to prioritise the needs of children.

In South Sudan, one child told us: "All the organisations should include boys and girls in decision making processes to encourage inclusion." In 2022, we will run similar consultations in more countries impacted by the hunger crisis as part of our commitment to engage with and listen to children in everything we do.

against malnutrition. At the Nutrition for Growth Summit in Japan in December, we helped secure a massive new commitment from world leaders of over \$27 billion to tackle malnutrition, following years of collective SUN CSN advocacy.

The Save the Children movement also committed to invest around \$500 million ourselves to reach over 100 million children with prevention or treatment for undernutrition.

* Exchange rate used: £1 to 109 Bangladeshi taka

LEADING THE FIGHT AGAINST PNEUMONIA



Olamide comforts her baby son Malik* as he receives medical oxygen at a health centre in Nigeria after he was diagnosed with pneumonia. Our GSK-funded INSPIRING programme has equipped dozens of health centres in Nigeria with oxygen supplies.

Pneumonia claims the lives of 800,000 children under five every year – making it the world’s single largest infectious killer of children. And yet we already have the vaccines and treatments – including antibiotics and oxygen – we need to prevent almost all of these deaths.

In 2021, we continued to lead the way in the fight against childhood pneumonia.

PREVENT, PROTECT, DIAGNOSE AND TREAT

Since 2017, Save the Children UK has been working closely with nine* of the countries worst affected by pneumonia to end preventable deaths and save the lives of more than 5.3 million children by 2030.

Globally, we have joined forces with partners such as the [Every Breath Counts coalition](#), UNICEF, Philips India, GSK and Unilever to extend access to vaccines, life-saving oxygen and community healthcare. Here are some of our successes in 2021:

- Thanks in part to our advocacy, governments in Indonesia, South Sudan and Somalia committed to including the Pneumonia Conjugate Vaccine (PCV) among their routine immunisations for children – a move that will help protect millions of children against the most common causes of severe pneumonia.

- Our INSPIRING programme, run in partnership with University College London and University College Hospital in Ibadan, Nigeria, has helped expand access to oxygen therapy in Nigeria’s Jigawa state, helping treat both pneumonia and COVID-19. We’ve trained more than 230 health workers there on pulse oximetry and oxygen therapy, provided critical oxygen equipment to 35 health centres, and equipped the paediatric, A&E and intensive care wards of six hospitals with piped oxygen systems.
- Globally, we trained hundreds of health workers in case management and on raising awareness about pneumonia in their communities, directly reaching hundreds of thousands of parents and caregivers.
- In India, nationwide information campaigns, such as [SAANS](#) and [Project Vishwaas](#), reached audiences of millions on the dangers of pneumonia, reducing the likelihood of cases being left untreated.

We also published our [Progress on Childhood Pneumonia 2017-2021](#) report, where you can learn more about the difference we’ve made in tackling childhood pneumonia, and the necessary next steps.

* Bangladesh, DRC, Ethiopia, India, Indonesia, Kenya, Nigeria, Somalia and South Sudan

HUMANITARIAN LEADERSHIP ACADEMY

In 2015, Save the Children UK set up the [Humanitarian Leadership Academy](#) (HLA). It provides quality learning opportunities that enable people to prepare for and respond to crises in their own countries.

The HLA saw a surge in demand for its services in 2021, with the number of humanitarians using its online learning platform, [Kaya](#), rocketing from 281,000 to over 450,000. The HLA's online accreditation platform, [HPass](#), also saw a significant increase in users, jumping from 12,000 to 20,000. The majority of learners come from either disaster-prone or disaster-affected areas.

The HLA offers a range of opportunities – from self-directed online learning to university-accredited diplomas. In 2021, it reached over 36,000 humanitarians with critical learning on humanitarian response – from public health and humanitarian operations to education and child protection.

HLA staff also give humanitarians hands-on support during emergencies. In 2021, they made sure a number of countries, including Myanmar, Afghanistan, Somalia, Eswatini and Sudan, became better able to respond to emergencies. They helped local humanitarians develop the skills to minimise the impact of crises and deal effectively with their aftermath.



PHOTO: LINH PHAM/
SAVE THE CHILDREN

One-week-old Bao Chau looks a picture of health after his bath in Nghia Lo General Hospital, Vietnam. Save the Children helps children like Bao Chau and his mum get access to high-quality maternal and newborn health services.

REPRODUCTIVE, MATERNAL, NEWBORN AND CHILD HEALTH

In a year when the pandemic disrupted health systems globally, we made sure women and children across the world – from Vietnam to Myanmar to Kenya – could access essential reproductive, maternal, newborn and child health services.

In Yemen, we ensured more than 80,000 people – including over 14,000 children under five – could access life-saving government and community health care. In 2021, the programme helped increase the proportion of women giving birth in health centres from 50% to 61%,

and receiving post-natal care from 33% to 90%. And it helped double the numbers of mothers breastfeeding their children.

We've also maintained our focus on sexual and reproductive health, providing adolescents with the information and services they need to make informed choices. In Sierra Leone, for example, we delivered contraceptive services and offered family planning counselling to a total of 9,423 people.

BREAKTHROUGH: LEARN

Global breakthrough: by 2030, all children will learn from a good-quality basic education.

Education is every child's brightest hope of a better future. But this year, COVID-19 cast a dark shadow over that future, creating the greatest global education emergency of our time. 10-16 million children are at risk of never returning to school because of the impact of the pandemic.

12.2 MILLION CHILDREN

reached through our movement's education programmes in 2021

In 2021, we provided teachers with training and tools to support their students' return to school after lockdown. We campaigned across the world – from Yemen to Uganda to Iraq – for a better education for all. And we encouraged world leaders to fight for girls' rights to an education, and to dismantle the obstacles that stand in their way.

In the UK, we joined over a hundred businesses and councils in a 'Summer of Play', so children could enjoy being with their friends again after months of restrictions.

Our projects to support children's learning are designed to form part of coherent country programmes, guided by country office-led strategic plans, delivered in partnership with community-based organisations and financed by a range of Save the Children members and donors.



Saidu, 11, at a school in Sierra Leone rebuilt by Save the Children and staffed with teachers we trained.

PHOTO: TOM MAGUIRE/SAVE THE CHILDREN

SAFE BACK TO SCHOOL

Our Save Our Education campaign called on world leaders to ensure children could make a safe return to school and learning.

Through [100 Days of Action](#), we worked in partnership with national education coalitions and child campaigners to demonstrate the urgency of the crisis. We published a new flagship report, [Build Forward Better](#), which includes an index of the education systems most at risk.

We also provided teachers with tools and training to help their pupils go back to school after lockdown. In the DRC, for example, we trained teachers in the delivery of rapid learning assessments so they could individually tailor their teaching to the level of their returning students. In Uganda, the DRC, Sierra Leone, Mozambique and elsewhere we supported radio and community information campaigns to help get children back in school.

THE VALUE OF EDUCATION

Working closely with other organisations, our joint advocacy contributed to raising more than \$4 billion in international financing for the Global Partnership for Education (GPE) between 2021 and 2025, the most ever committed in a day for education. This included a pledge of £430 million from the UK government, which our work with the [Send My Friend to School coalition](#) helped to inspire. This is an important step towards reaching the GPE's \$5 billion international financing target, which will enable 175 million more children to learn by 2025.

Our advocacy work with partners also saw governments pledge the equivalent of \$196 billion in domestic financing for education over the next five years. This is the most important source of finance for education – provided by a country's own government, it shows the value it places on education.

INNOVATING AND ADAPTING

With support from the People's Postcode Lottery Fund, in 2021 we launched an innovative approach to make sure children in Uganda could catch up on an education disrupted by the COVID-19 pandemic. Our Catch-Up Clubs help children acquire the foundational educational, social and emotional skills they need to make a successful return to school.

Catch-up Clubs are designed to be effective in any context where children's formal education has been disrupted through an external shock. We are now looking at innovative financing mechanisms to help us scale this approach quickly. Our vision is for Save the Children to work with partners and support five million children directly through these Catch-Up Clubs across the world over the next five years.

We're making sure children like Saada, 15, in Yemen can keep learning, despite the conflict.



PHOTO: ANNA PANTELINA/SAVE THE CHILDREN

VICTORIES FOR CHILDREN

During 2021, we fought on many fronts in the battle to give every child access to a decent education – and won some great victories for children:

- We worked with the World Bank, the GPE, UNICEF and the World Food Programme to design a crucial education project for children caught up in the crisis in Yemen. The project will provide learning materials and school meals, rebuild school infrastructure and deliver teacher training.
- We continued to advocate for all refugee and internally displaced children to have access to safe, quality and inclusive education with two new reports, [Progress Under Threat](#) and [Action Towards Quality Education for Internally Displaced Children](#). The reports' findings were presented at UN events, including to the high-level panel on internal displacement.
- In partnership with the People's Postcode Lottery Fund, we piloted an innovative Education in Emergencies funding mechanism. It allows national non-government organisations in Iraq to directly apply for funding based on their needs and experience.
- With funding from the GPE, we helped train teachers in 474 schools in Ethiopia on how to make education more inclusive for children with disabilities. These teachers then equipped school communities and parents with the skills and knowledge to improve the inclusion of students with disabilities.

EVERY GIRL'S CHANCE TO THRIVE

We worked with partners to help secure the [G7 Girls' Education Declaration](#) in June – a commitment from world leaders to address the global setback in girls' education caused by COVID-19. It aims to get 40 million more girls into school and 20 million more reading by age 10 in low- and lower-middle incomes countries by 2026.

And our programmes promoted education for girls in some of the toughest countries for them to go to school:

DRC: A PATH TO SUCCESS

Run in partnership with World Vision, the Institute of Development Studies and our partners FECONDE, AJEDEC and ALPKO,* our UK government-supported REALISE programme aims to make sure girls in the Democratic Republic of Congo (DRC) can get an education and succeed at school. The project:

- provided bursaries for girls, to help them access and remain in school
- launched an accelerated education programme (AEP) to help children who'd missed out on schooling, especially in conflict zones, catch up
- raised awareness about sexual and reproductive health
- improved safeguarding and protection – training teachers and community leaders in child protection, establishing and strengthening case management and referrals, and setting up a free information hotline, which could also be used to report complaints and abuse.

Between 2017 and 2021, REALISE reached over 60,000 girls in 262 primary schools, 205 secondary schools and 16 AEP centres across six provinces in the DRC.

An evaluation found that the project had improved both girls' learning and the value placed on girls' education by their communities. It had also enhanced the quality of teaching in the classroom and in many cases shifted teachers' behaviour away from physical punishments to other forms of discipline.

“I saw the changes in learning, our teachers show us how to count things, and they show us how to read everything. They teach us in a way we understand and if you fail they will repeat it several times until you understand.”

Secondary-school-aged girl in focus group discussion in Tanganyika, DRC

“There is no more beating with sticks. Also, both men and women are sitting together. We are listening together and no one is better than the other.”

Secondary-school-aged girl in focus group discussion in Tanganyika, DRC

EDUCATIONAL SUCCESS FOR AFGHAN GIRLS

As part of a consortium led by the Agha Khan Foundation and funded by the UK government's FCDO, we implemented Steps Towards Afghan Girls Educational Success (STAGES), a project designed to help children – and especially girls – access education and stay in school.

Through community-based education and by supporting government schools, we benefitted 35,618 (25,510 girls and 10,108 boys) across three Afghan provinces between 2017 and 2021.

Thanks to the programme, the percentage of girls reporting that they received support to stay in school and do well increased significantly.

In September, the de-facto authorities announced that secondary schools in Afghanistan would be reopening, but only for boys and male teachers. In response, we called for girls to be allowed to return to secondary school as a matter of urgency, and for richer governments to fund education for all Afghan children.

Despite assurances that girls will be allowed to return to school, the majority of secondary schools for girls remain closed. We won't rest until all girls in Afghanistan are in school and learning.

SMART RADIO

Working in partnership with the Malawi government and with the support of the World Bank, we've been helping unqualified pre-primary teachers and caregivers use interactive radio to promote learning. There's been such high demand for the service that some communities are buying their own radios so they can use it, and many community radio stations have provided valuable free airtime. We targeted seven community radio stations, but now have 19 airing the programmes beyond the areas we anticipated reaching.

* FECONDE: *Femme Congolaise pour le Développement*. AJEDEC: *Association des jeunes pour le développement Communautaire*, ALPKO: *Association pour la Lutte contre la Pauvreté de Kongolo*

SUPPORTING CHILDREN AT HOME

A SUMMER OF PLAY IN THE UK

We worked with child-development experts, charities and businesses to create our 'Summer of Play' for children in the UK – a campaign to help reverse the damaging effects of lockdown.

We asked organisations to pledge to create opportunities to let children have fun, meet friends and enjoy freedom during the summer holidays. More than 400 organisations signed up. Businesses donated over 60,000 items such as toys, games and outdoor play and sports equipment to charities running summer activities. And we had more than 20,000 visitors to the Summer of Play website from people looking for advice and tips on fun things to do with their children during the holidays.

EXPLORE, PLAY, LEARN

A child's earliest years can shape the course of their whole life. If they fall behind in their learning and development they might never catch up. That's why, at the start of 2021, we piloted the Explore, Play, Learn programme in Sheffield, in partnership with the NHS and the local authority.

The programme targets children under-two whose language skills have been slow to develop. It helps families support their child's learning at home with tips and techniques, building their confidence and skills. The programme also helps families access the specialist support of a trusted child-development practitioner if and when they need it.

We adapted our support from in-person to online as new lockdown restrictions kicked in. And we gathered valuable feedback from partners and parents on how to improve our approach. These improvements have been made and Explore, Play, Learn is being rolled out across Sheffield.



Cooper, 5, plays with our activity packs during the Summer of Play in the UK. The packs used creative activities to promote children's mental and physical wellbeing.

BREAKTHROUGH: BE PROTECTED

Global breakthrough: by 2030, violence against children will no longer be tolerated.

Right now, nearly 200 million children are living in high-intensity conflict zones.

In 2021, we provided children with psychosocial support to help them recover from the hidden scars of violence, supported children in warzones whose rights had been violated and called on governments to spend more to keep children safe.

When the conflict escalated in Afghanistan in the summer, we supported Afghan refugees arriving in the UK. We offered them specialist mental health care and urged the

4.1 MILLION CHILDREN

reached through our movement's child protection programmes in 2021

UK government to deliver a genuinely supportive resettlement scheme.

Our project activities to help children be protected are designed to form part of coherent country programmes, guided by country office-led strategic plans and financed by a range of Save the Children members and donors.



Girls at a safe space we've set up for children forced from their homes in Afghanistan. Amid the chaos of conflict, our safe spaces provide children with a sanctuary where they can play, learn and just enjoy being children.

PHOTO: JIM HUYLEBROEK / SAVE THE CHILDREN

AFGHANISTAN: SUPPORT FOR ALL REFUGEES



Laila, 12 (centre, with golden shawl), fled her home in Afghanistan when her father was killed. She now lives in a camp where she attends this safe space we've set up there. Now she's begun to hope for better things. "I would like to be educated and become a teacher," she says.

PHOTO: JIM HUYLEBROEK/SAVE THE CHILDREN

The surge in violence in Afghanistan last year saw thousands of people flee the country.

We worked closely with other British charities to provide holistic support for Afghan refugees resettling in the UK – over the long-term, the UK government plans to take in 20,000 people.

We helped partner organisations support families enduring lengthy stays in 'bridging hotels' while they wait to be moved into permanent housing. We have also been working closely with charities and community groups led by Afghan refugees. As well as meeting the immediate needs of those who've arrived in the UK from Afghanistan, we are working together to provide them with long-term support – especially with schooling – so they can thrive here.

We shared resources including a 'psychosocial support toolkit' with people working in local authorities, and provided wellbeing-promoting activity packs for families. These were developed by our colleagues in Afghanistan and made available in English, Dari and Pashto. The activities have themes of 'read and listen', 'play and create', 'emotional control', and 'relaxation techniques'.

We're also campaigning for the government to do more for all Afghanistan's children. More than 18,000 of our

supporters signed our petition calling on the Foreign Secretary to make sure Afghan children are protected and have safe passage if they need to leave the country, and to increase humanitarian aid for the families who remain.

TRAINING FRONTLINE PROTECTION WORKERS

Drawing on our experience of working in Afghanistan and supporting refugees across the world, we've also developed a training session for people working directly with Afghan asylum seekers or refugees.

The workshop covers what staff need to know to provide support for Afghan families, including:

- a brief guide to Afghan culture and history
- information on the complex needs of refugee families
- guidance on providing mental health and psychosocial care.

Through the workshop, we've directly trained over 100 frontline workers. Our workshop resources have been shared as examples of good practice with local authorities and other partner organisations in England by the Department for Education.

PROTECTING CHILDREN IN CONFLICT



Samah*, 12, and her family were forced from their home by the war in Syria. They now live in a camp for displaced people.

Amid the chaos of violence and war, children are likely to be the targets of abuse and their rights become easy to violate. They are killed, maimed and abducted. They're forced to fight and are subjected to sexual violence. Their schools and hospitals are attacked. They're cut off from food and medical care.

In 2020, the UN reported 26,425 of these "grave violations" by parties to conflict – an increase of around 1,500 on the previous year. The highest number of violations – comprising almost a third of the total – were for the recruitment and use of children by armed forces or armed groups.

MYANMAR

Following the military coup in Myanmar, there has been a disturbing rise in violence against children. While [some figures](#) suggest around 100 children have been killed by the military's actions, we believe this to be the tip of the iceberg. There are reports of children being killed, injured or forced from their homes by airstrikes and military offensives. At the same time, there are 5 million children in need of humanitarian assistance.

In response, we've scaled up our programme work in Myanmar, focusing on food security, child protection, healthcare, nutrition and education. We've also called on UN Security Council member states, governments across Europe and Asia, and key UN institutions to prioritise protecting children in Myanmar and holding those committing grave violations to account.

Tragically, on 24 December, two Save the Children staff members were killed in an appalling attack by the military while working as part of an education project in Kayah State.

We continue to push the UK government to hold the military regime in Myanmar to account.

Occupied Palestinian territories: In one of the world's longest-running crises, we provided crucial mental health care to help children cope with their trauma. We also delivered early education programmes for children at risk of dropping out of school. At the same time, our cash-for-work programmes made sure thousands of families could earn a steady income. For more information on how we provide families with cash in humanitarian emergencies see page 25.

Syria: As violence continued to rage in Syria in 2021, we provided life-saving food, health services, psychological support, education and protection to thousands of children.

We also continued to work with partners to call on the UK government to repatriate the British children still stranded in desolate camps and other detention settings in north-east Syria. We submitted evidence to the All-Party Parliamentary Group (APPG) on children's lack of access to education and health services, their exposure to violence and disease, family separation and the risk of detention. The APPG then cited this evidence in their report on [Trafficked Britons in Syria](#).

RETHINKING OUR RESPONSE

We assessed our programmes and adapted them to help better protect at-risk children and support those whose rights had been violated. In key conflict-affected countries,* we:

- provided case management support to 120,752 children who are vulnerable to or who have experienced grave violations such as recruitment and use by armed forces, sexual violence, or other forms of abuse, neglect and exploitation
- provided age- and gender-appropriate mental health and psychosocial support services to 378,248 conflict-affected children.

For example, in Colombia, we assessed how the COVID-19 pandemic and school closures had contributed to putting children at greater risk of being recruited into armed groups. We are using our findings to advocate for changes to national and provincial policies to support children who are vulnerable to recruitment or who have been recruited. And in Mozambique, we completed an assessment which shed greater light on the horrific experiences of children who've fled the insurgency in the north of the country. This allowed us to advocate for more systematic monitoring, reporting and responding to grave child rights violations.

In 2021, we launched our internal Centrality of Protection policy. It commits us to strengthening our ability to systematically monitor, report and respond to violations of

children's rights in conflict. The policy will make us more accountable to children – and make it easier for them to speak out and report violations.

STOP THE WAR ON CHILDREN

Our 2021 [Stop the War on Children](#) report highlighted the troubling rise in child-rights violations, focusing on the recruitment and use of children by armed forces or armed groups. The report highlights the actions needed to prevent recruitment and other violations. It calls for increased child-protection funding. And it urges governments to endorse and implement key international laws and standards, such as the Paris Principles and the Safe Schools Declaration, which aim to protect and support conflict-affected children.

The voices of children caught up in conflict powerfully amplified our advocacy. In one memorable example, during a ministerial roundtable, an Afghan girl recited her poem about the bombing of a school. MP James Cleverly later referenced her words at the United Nations. We also gathered UK children's drawings and messages of solidarity with Afghan children, and delivered them to the Foreign Secretary ahead of a G7 meeting in December.

Our Protecting Children in Conflict Lead, Veronique Aubert, was recognised for her efforts by being awarded an OBE in 2021. She was also appointed as a Special Adviser to the International Criminal Court on Crimes Against and Affecting Children.



Jean*, 17, says he was made to steal, kidnap and kill after being captured by an armed group in the DRC. He was rescued by one of our partner organisations, and now we're helping him reintegrate into his community, train as a hairdresser and start a new life.

PHOTO: HUGH KINSELLA CUNNINGHAM / SAVE THE CHILDREN

* These countries include Burkina Faso, Colombia, Mali, Nigeria, Niger, DRC, Somalia, Sudan, South Sudan, Mozambique, Yemen, Ukraine, Iraq, Syria, Afghanistan, the Philippines, the occupied Palestinian territories and Myanmar.

SAFEGUARDING CHILDREN AROUND THE WORLD

COACHING FOR LIFE

In another example of our work to support refugees around the world, we co-created the groundbreaking 'Coaching for Life' programme with the Arsenal Foundation.

The programme uses football coaching to nurture the resilience and mental health of children aged 10 to 18 living in Za'atari refugee camp in Jordan.

Coaching for Life has now reached 2,729 children in Jordan – including an equal mix of girls and boys.

An evaluation of the programme in the first half of 2021 by experts in child mental health found clear evidence that the participants' social and physical wellbeing, interpersonal skills and resilience had improved. Many had also established closer relationships with their family.

TACKLING TRAFFICKING

In 2021, we worked with Save the Children in Sri Lanka and the International Organisation for Migration to turn the tide of child trafficking in the country. Together, we developed a training programme to help government workers and civil society groups identify children who have been trafficked – and 351 officials took the course.

Working closely with the National Child Protection Authority and the Ministry of Women and Child Development, we developed guidance for the police on

how to interview children and how to reintegrate them back into their own communities.

The Sri Lankan government has now welcomed and formally endorsed our support to strengthen the national response to human trafficking.

GIRLS IN THE DRIVING SEAT

We continued to tackle violence against women and girls in Jordan and Uganda, through our Girls as Drivers for Change project in partnership with the World Association of Girl Guides and Girl Scouts.

The project aimed to help girls improve their emotional awareness, resilience and confidence, equipping them to become leaders, implement girl-led community initiatives and take collective action to address gender-based violence. It reached 2,400 girls between January 2019 and June 2021.

After participating in the programme, girls became active advocates of gender equality and less accepting of gender-based violence. In particular, by the end of the project more girls felt, as one put it, that: "The girls in my community have a voice to speak out about problems affecting them."

PHOTO: SAVE THE CHILDREN



Polaroids taken by Syrian refugees living in Za'atari refugee camp, Jordan, as part of our 'Coaching for Life' programme with the Arsenal Foundation. The programme inspired 16-year-old Mariyan* to take the photo of her teammates' hands – showing how she feels to be part of a team. She says Coaching for Life has taught her: "Tolerance, love, helping others, self-confidence, courage and spreading good."

Mariyan* is a teenager of many talents. "I have hobbies that I like to share with others," she says. "Writing novels, poetry, thoughts, stories, rap, drawing anime [Japanese cartoons] and designing movements on songs [choreography]."



She may be just eight, but in the words of her mum “my girl Monica is a child with the mind of a big person – she helps me a lot.” That might be the product of what she’s been through. As their homeland Venezuela faced economic meltdown, Monica and her family fled to Colombia. We’re helping them get food, clothes and medicine.



PHOTO: NADEGE MAZARS/
SAVE THE CHILDREN

CHILDREN IN NEED OF CARE

In 2021, the UN Committee on the Rights of the Child held a discussion on the unnecessary separation of children from their families, and on better ways to respond to separation in cases where it is unavoidable.

The Save the Children movement co-led the task group helping to shape the agenda. We supported a child and young people’s advisory committee who contributed to the agenda, carried out a children’s survey on the issue, and identified child speakers for each of the sessions.

In September, an unprecedented 1,500 people from over 125 countries attended the discussion remotely. Approximately 200 written and video submissions were made, and 1,000 children participated in the survey.

We made sure that children, young people who’ve experienced care, and childcare practitioners could

explain why this is a crucial topic and present their recommendations for change. The Committee will now make recommendations to UN member states on how to improve the quality of care for children.

“I just hope in the next 20 years we will look back to 2021 and see how much change we have made and how much progress. I just hope for the future that change will be made, and we make great progress and strides when it comes to accountability and justice.”

Munashe, a child from Canada who we enabled to speak at the discussion.

PREVENTING CHILD MARRIAGE

We campaigned hard against child marriage, partnering with girl advocates like the members of Mexico’s RedPaz, an adolescent network that fights for children’s rights and gender equality. Together with feminist movements from around the world, we secured a target to prevent 9 million child marriages by 2026 – a target informed by our data analysis. Our advocacy contributed to the creation of designated spaces in the [Generation Equality Youth](#)

[Taskforce](#) being held for girls aged 10–19 who are often excluded, helping ensure their age-specific needs are met.

In 2020 and 2021, pressure from public campaigns such as those led by the Save the Children movement contributed to bringing about changes in the law, prohibiting child marriage in the Dominican Republic, the Philippines and Katsina state in Nigeria.

CHILD POVERTY

Globally, 356 million children are living in extreme poverty, struggling to survive on less than \$1.90 a day. Approximately 1.2 billion children are 'multi-dimensionally poor' – which means they don't have access to basic necessities such as housing, nutrition or clean water. The pandemic has pushed a further 150 million children into multi-dimensional poverty.

In 2021, we supported children living in extreme poverty by campaigning for extra financial support from governments, boosting the use of cash transfers in humanitarian emergencies and helping to expand access to child-sensitive social protection.

3.7 MILLION CHILDREN

reached through our movement's child poverty programmes in 2021

KEEP THE LIFELINE

At the start of the COVID-19 pandemic, to help UK families cope with the financial fall-out of the crisis, the UK government increased Universal Credit social security payments by £20 a week.

It was intended as a temporary measure, but we fought hard to prevent the government cutting this vital extra support. We joined forces with anti-poverty charities and five former Conservative Secretaries of State for Work and Pensions to campaign to 'Keep the Lifeline'.

As part of the push, we enabled members of our Parent Campaigners Network, who would be directly affected by the cut, to speak in parliament, on the BBC's *Newsnight* programme and in national newspapers such as the *Sun*. They were highly influential in building support for the campaign.

The UK government went ahead with its planned £20 cut in October, the biggest single reduction in social security

PHOTO © JORDAN WOODGATE/SAVE THE CHILDREN

Rebecca is a single working mum and part of our 'Keep the Lifeline' campaign. While unfortunately the government went ahead with its cut to Universal Credit of £20, she and her fellow campaigners helped make sure the cut was postponed for six months and won increases to other elements of Universal Credit worth £3 billion per year.



CHILDREN SPEAK OUT

In 2021, we worked to put child-sensitive social protection on the agenda of governments and donors across the globe. We also made sure that the needs of children and children's voices informed high-level political discussions.

Together with UNICEF and government partners, we enabled children to speak directly with policymakers at side events on social protection at three Regional Forums – in Asia and the Pacific; Latin America and the Caribbean; and Africa.

in more than 70 years. But our campaign helped secure a six-month extension, a package of support and increases to other elements of Universal Credit worth £3 billion per year.

We were also part of a campaign that helped persuade the Scottish government to double the value of the Scottish Child Payment. That decision put £20 a week per child into the pockets of low-income families in Scotland.

STEPPING IN WITH A SAFETY NET

As the COVID-19 pandemic sparked the biggest setback in human development in 20 years, we worked with partners, communities and children across the world to expand access to critical government-led social welfare programmes, such as child and family benefits – also known as 'social protection'.

Our programmes in Nigeria, Malawi, Somalia and Bangladesh aimed to provide a safety net for families facing the worst extremes of poverty – and to build an evidence base of what works, which governments could follow.

In Yobe state, Nigeria, for example, which has some of the country's worst rates of malnutrition, we worked with the government to help it deliver social protection to its people. We are implementing the project with funding from the European Union, in collaboration with International Alert and two community-based partners, along with vital input from community organisations.

MAKING CASH GO FURTHER

In 2020 and 2021, in partnership with UNICEF and other international partners, we trained 67 humanitarian workers from 43 organisations on how to use market-based programming, including cash transfers and vouchers, to improve families' access to water, sanitation and hygiene (WASH). Among the trainees were experts in WASH and cash and vouchers from 13 countries, including Cameroon, Syria, Colombia, Guyana, Honduras, Nicaragua, Panama, Venezuela, Kenya, Nigeria, Somalia, Iraq and Yemen.

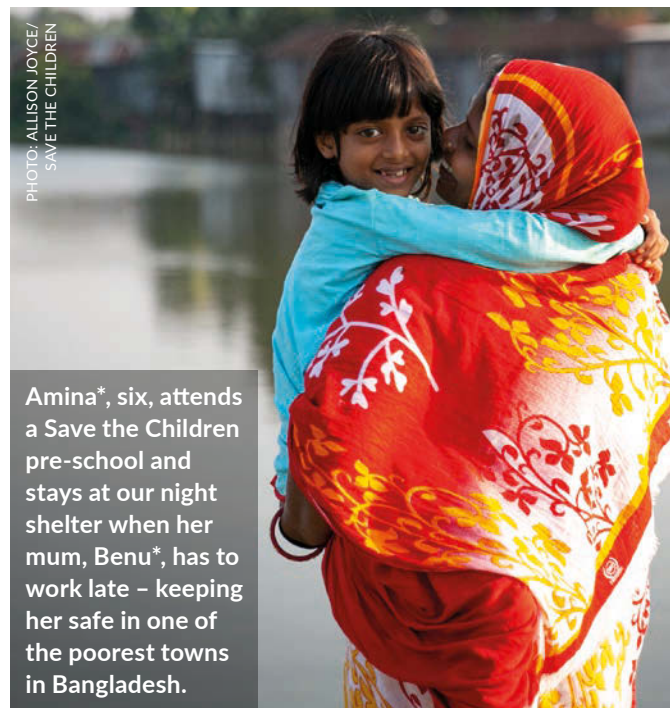


PHOTO: ALLISON JOYCE/
SAVE THE CHILDREN

Amina*, six, attends a Save the Children pre-school and stays at our night shelter when her mum, Benu*, has to work late – keeping her safe in one of the poorest towns in Bangladesh.

As a crucial part of the programme, we're providing mums with monthly cash payments to prevent malnutrition in their infants. We're also giving them important information on health and infant nutrition. By the end of 2021, we'd reached over 9,600 households with this critical support.

With funding from the European Union, we kicked off a similar pilot programme in Somalia, reaching 5,831 mothers with \$20 a month in cash payments, as well as with health and nutrition information.

'CASH PLUS'

In 2021, we trained staff in 27 of our country offices in our evidence-based 'Resourcing Families for Better Nutrition' approach, which focuses on using cash transfers and vouchers to reduce stunting. And we helped fund, design and implement 'Cash Plus' cash transfer programmes in three countries at high risk of famine: Afghanistan, Yemen and South Sudan.

These Cash Plus programmes combine cash transfers with work on nutrition, water, sanitation and hygiene to improve mothers' and infants' health. Unfortunately, the programme in Afghanistan was briefly suspended at the height of the recent conflict, but has now resumed. The projects in Yemen and South Sudan are delivering Cash Plus assistance to 2,150 and 2,600 families respectively.

We gathered evidence on families' experience with the Cash Plus programmes, using monitoring and evaluation tools we've translated into English, Arabic and French, and shared digitally. This evidence will help make the case for future Cash Plus programmes in emergencies, and improve the way they work.

THE CLIMATE AND ENVIRONMENTAL EMERGENCY



PHOTO: DAILY MIRROR/COLIN LEAFASIA/
SAVE THE CHILDREN

Rising sea levels threaten to submerge 15-year-old Diana's home in the Solomon Islands, which is just 16 metres from the shore. "This year... during May and June... the sea rose much higher than normal and flooded my home, our small vegetable garden, and our fruit trees," she says. "Now my family is worried. We have nowhere to go."

The climate crisis is fundamentally and irreparably reshaping our world, with grave implications for the rights of current and future generations of children. Its impacts are already being felt by the [most affected children and areas](#). One billion children live in countries at extreme risk from climate change.

Climate disasters and environmental threats are already disrupting families' livelihoods and children's schooling, exposing them to deeper poverty and danger; they mean 37 million children are missing out on education, with girls disproportionately affected. Climate change exacerbates existing conflicts and is likely to create new ones, putting children at greater risk of violence, sexual abuse, child marriage, child labour, missing out on school and being separated from their families.

Up to 216 million people may have to move within their own countries by 2050 due to the climate crisis.

Without drastic action, children in the most-affected areas – especially girls, indigenous children, and children with disabilities – will inherit a catastrophe not of their own making.

That's why the climate crisis is central to our [2022-24 strategy](#) to deliver the greatest impact for children. We are responding through our programmes, humanitarian work, advocacy, campaigns and research, and by reducing our own impact on the environment.

“We, younger generations, will be crucial to stir the rest of the world to complete the vital task of saving our planet. We need to make children an essential part of the solution.”

Arunima, 14, Save the Children UK
[Youth Advisory Board](#) member

Climatic and extreme weather events are more frequent and variable – in 2020, they drove almost 16 million people in 15 countries into **food crises**. And food crises in turn fuel violence against and exploitation of women and children.

WHY WE MUST STAY BELOW A 1.5°C RISE

Children's access to a quality education, a healthy life and a safe environment are being rapidly curtailed by exposure to more prevalent and severe wildfires, crop failures, droughts, floods and heatwaves.

In 2021, we partnered with leading climate researchers led by Vrije Universiteit Brussel to look at how children will experience extreme weather events related to climate change. The resulting report, [Born Into the Climate Crisis](#), shows that keeping global temperature rises below 1.5°C could make a huge difference to children's futures. It would reduce the additional lifetime exposure of children born in 2020 to heatwaves by 45%, droughts by 39%, river floods by 38%, crop failures by 28%, and wildfires by 10%. This, in turn, would allow more children to get the food, education and healthcare they need to thrive. So change is possible – but we must act now. Our report outlines the changes global leaders need to make.

We also joined forces with the *Daily Mirror* to give children a chance to report on the impacts of the climate crisis on their lives. The newspaper ran a series of articles by children from the Solomon Islands, Nigeria and Nepal, describing how siblings had died in floods and storms, and calling on the UK government to secure radical action at the UN climate conference in Glasgow.

EARLY RESPONSE AND RESILIENCE

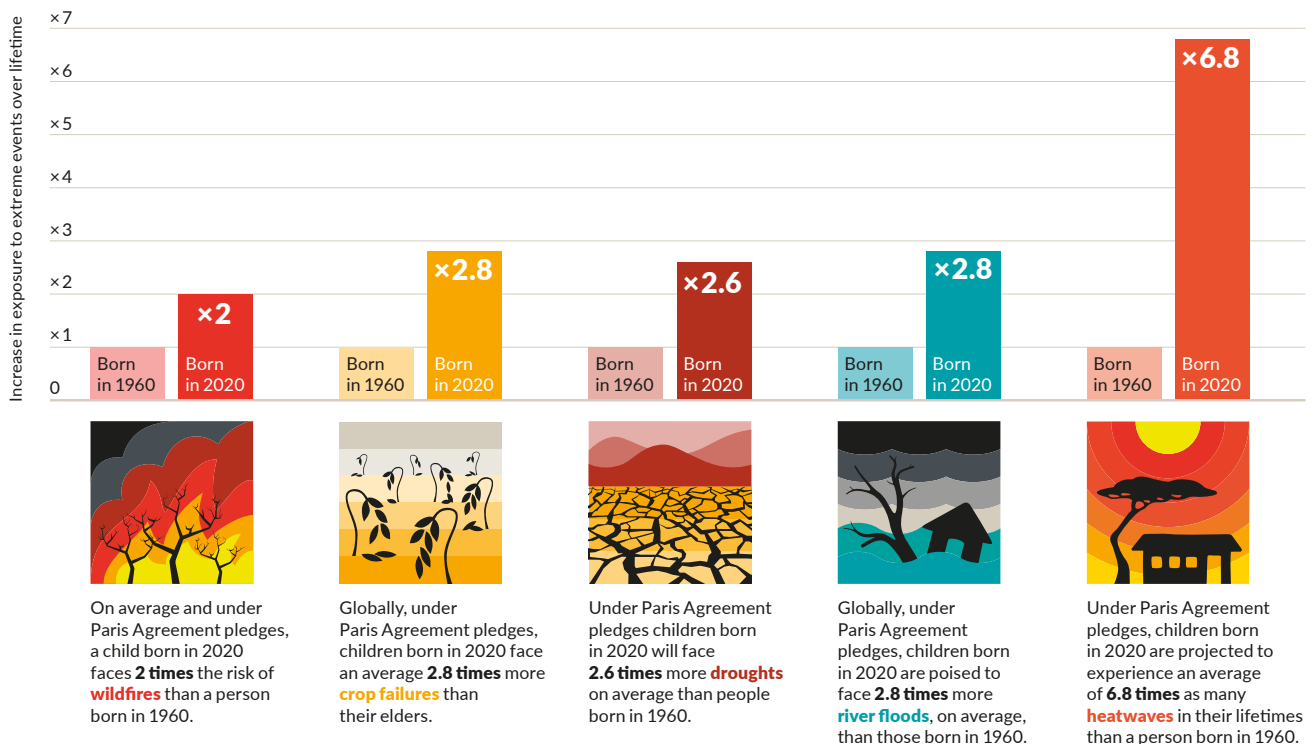
The Save the Children movement has been responding to the impact of climate-related crises for years. Our programmes have provided water to communities battling drought, distributed cash transfers to families whose livelihoods have been devastated by extreme weather, and set up early-warning systems to predict when disasters might hit.

Here are just some of the ways we fought the climate crisis in 2021:

- In September – alongside our partners Community Jameel, the University of Edinburgh, the International Livestock Research Institute, and the Abdul Latif Jameel Poverty Action Lab – we launched the [Jameel Observatory for Food Security Early Action](#). The observatory will help tackle the growing threat to people in the world's drylands of the increasing severity and frequency of climate-related disasters. Using cutting-edge technology and data surveillance, early warning signs of severe weather will help farmers develop and apply tools to shape their own food production.

66 It is very hard to learn when the sun is hot. **99**
Mohamed, 14, and Shukri, 14, Somalia

Lifetime exposure to extreme events under Paris Agreement pledges for children born in 2020 compared to that of a person born in 1960.



From Save the Children's report, [Born Into the Climate Crisis](#), published in 2021.

Hasan* stands in his drought-hit farm in Iraq – just one of the millions of people around the world whose lives are being affected by climate change.



- In December 2021, our long-standing partner GSK provided a £1 million grant for our Emergency Health Unit and Anticipatory Action project. This will strengthen our ability to respond early to climate-related emergencies, reducing the impact on the health of children and communities.
- Save the Children UK, working with government ministries and other international, national and local partners, is coordinating the design of several [Green Climate Fund \(GCF\)](#) projects in Somalia, Malawi, Ethiopia and Sierra Leone. For instance, in Somalia – a country on the frontline of climate change – we’re designing an ambitious climate-resilience project, focusing on community-based adaptation, livelihoods, skills training, natural resource management and nutrition. We want to ensure that children are front and centre of the design of climate change adaptation projects. In 2021, new and existing partners, notably GSK, the IKEA Foundation, and American Express, committed to providing substantial funding to support the design of these projects.
- It is vital the humanitarian sector adapts to the threat of the climate crisis. In October, in partnership with the Disasters Emergency Committee, UK-MED and the Humanitarian and Conflict Response Institute, we launched our collaborative [Sounding the Siren](#) report. It examines the aid system and advises on how it can prepare for and respond to looming climate-related crises.

HOLDING LEADERS TO ACCOUNT

The Save the Children movement can play a unique role in helping children hold governments to account on their climate change commitments, and in encouraging leaders to act in children’s best interests. We are pushing politicians and the private sector to:

- take ambitious and urgent action to limit warming to a maximum of 1.5°C
- increase their financial commitments to help the most-affected areas mitigate and adapt to the impacts of the climate crisis
- recognise children as equal stakeholders and key agents of change, including by establishing child-friendly mechanisms and platforms to facilitate their formal engagement in climate policy-making
- scale up social protection systems to address the impacts of climate shocks on children and their families.

Children’s increasing exposure to extreme weather events has serious implications for their access to quality education. Save the Children UK’s 2021 [Build Forward Better](#) briefing paper sets out how leaders can protect children’s learning. It also explores the role that education can play in equipping the next generation to protect themselves against climate change’s worse impacts.

In the run up to November’s COP26 in Glasgow, including at the Youth COP in Italy, youth campaigners, Save the Children and other activists fought to make sure world leaders put children’s rights front and centre of the summit’s climate commitments. We attended COP26 to engage with children and understand their perspective, and to influence the final declaration so that it emphasised children’s rights and participation. While the summit demonstrated that world leaders are [not doing enough](#) to protect children from the crisis, it was encouraging to see a mention of children’s rights and intergenerational equality in the final text of the [Glasgow Climate Pact](#).

66 Please listen to us and give additional importance to our voice. We promise you to become part of the solution. 99

Diya, 16, Bangladesh

REDUCING OUR ENVIRONMENTAL IMPACT

TARGET: HALVE OUR DIRECT CARBON EMISSIONS BY 2024

In 2021, the global Save the Children movement committed to reducing our direct carbon emissions by 50% by the end of 2030, against a 2019 baseline. As Save the Children UK, most of our direct carbon emissions come from international travel. We cut our travel radically during the pandemic and plan to continue limiting it whenever possible. On this basis, Save the Children UK has committed to halve our direct carbon emissions by 2024, against our 2019 baseline.

We're supporting the wider movement in the development and roll-out of an organisation-wide Environmental Management System. It will ensure all new projects are assessed to mitigate their negative environmental impacts. In 2021 we launched a new [Environmental Sustainability and Climate Change Policy](#), which will be reviewed in 2022. At Save the Children UK, we are also leading the review of our movement-wide Donation Acceptance Policy to make sure that those partners we accept funding from meet high environmental standards.

ENERGY AND EMISSIONS REPORTING

Save the Children UK has measured the carbon emissions of our UK operations since 2011. Our energy and greenhouse gas emissions are set out below.*

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



In our London headquarters, we reduced our energy consumption in 2021 by further increasing the number of LED lights and automated light sensors, and reducing the energy used by our heating, ventilation and air-conditioning systems. All our cleaning products are environmentally friendly and all hand soap free of palm oil. We're replicating these standards across our regional offices.

The table below outlines our direct environmental impact as part of the Streamlined Energy and Carbon Reporting (SECR). Save the Children UK goes further than this by separately calculating emissions produced by our travel. A more comprehensive look into our impact on the environment in 2021 will be available on our [website](#) in 2022. This will include a progress update on our emissions reductions against the 2019 baseline. Our SECR data has been developed with the generous support of Purchase Direct.

	1 January–31 December 2021	1 January–31 December 2020
Total energy consumption – used for emissions calculation (kWh)	2,905,537	2,423,728
Combustion emissions, scope 1 (tCO ₂ e)**	159	87
Purchased electricity emissions, scope 2 (tCO ₂ e)	270	384
Vehicle fuel combustion emissions, scope 1 (tCO ₂ e)	27	25
Vehicle fuel combustion emissions, scope 3 (tCO ₂ e)	57	4
Total gross reported emissions (tCO ₂ e)	513	500
Staff	877	913
Intensity ratio: staff (tCO ₂ e/staff member)	0.58	0.55

* Pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2021 conversion factors. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

** The above figures are measured in metric tonnes of carbon dioxide equivalent. This is a standard unit for measuring carbon footprints which helps to express the impact of greenhouse gases in terms of the amount of CO₂ that would create the same amount of warming.

WORKING IN PARTNERSHIP

Working in partnership exponentially increases our impact for children.

Our partners include local organisations and communities, volunteers and the public, social movements and civil society groups, governments and international institutions, private sector organisations, foundations and philanthropists, artists and ambassadors and, above all, children and families.

Their support underpins the scale and impact of our programmes. It adds to our knowledge, skills and expertise. It gives us the opportunity to innovate. It amplifies children's voices and influence.

As children faced the triple threat of COVID-19, conflict and climate change in 2021, our partnerships were more important than ever before. And we started to explore new ways to collaborate – through multistakeholder partnerships, start-up incubation and innovative finance models.

Here are some standout examples from 2021.

YOUTH ADVISORY BOARD

At the beginning of 2021, 18 young people aged 12–18 from across the UK joined our first Youth Advisory Board. The Board works closely with staff to help shape projects across our campaigning, fundraising, media and brand work in the UK. Their goal is to ensure we amplify young voices and stay true to holding children's rights at the heart of everything we do.

Throughout the year, the Board were involved in a number of different projects: feeding into Save the Children International's global campaign planning, interviewing our new Chief Executive as part of the recruitment process and working on a YouTube project to create a series of videos exploring complex topics, including climate change, for a young audience.

The Board has brought ideas, passion and determination, and we're excited about more young people joining it in 2022. We are currently in the process of recruiting a second-year cohort.

CORPORATE PARTNERS AND FOUNDATIONS

Once again in 2021, our business partners supported our programmes, shared their expertise and stood with us to make sure children's voices are heard.

- Our now ten-year partnership with GSK continued providing life-saving healthcare services to children, helping us to take preventative or early action and enhancing the ability of our Emergency Health Unit to respond to climate-related crises. With the Green Climate Fund, the partnership will be supporting the design of climate-resilient health systems and communities in Senegal and Malawi.
- We worked with Unilever and the FCDO to tackle COVID-19, reaching over 297 million people in nine countries with information on preventing its spread.
- In partnership with Unilever, Symrise and Deutsche Gesellschaft für Internationale Zusammenarbeit, we're supporting vanilla farmers and their families in Madagascar.
- We continue to advocate for the power of play in children's development through our partnership with LEGO Group and LEGO Foundation.
- Bulgari supported our Early Learning Communities programme to improve children's literacy, numeracy and emotional development, reaching more than 1,400 children.
- The Morgan Stanley International Foundation backed our Boosting Parenting Power programme in the UK, and Morgan Stanley & Co. International Plc supported our COVID-19 response.
- Our new partnership with Norton Rose Fulbright LLP aims to help 4,500 children across 36 communities in Myanmar catch up with the learning they lost because of COVID-19.
- With Prudence Foundation and the Philippines Department of Education, we've enabled thousands of schools in the Philippines to assess the impact of natural disasters. Prudential Plc has continued to provide vital support to the Emergency Fund.
- The Bill & Melinda Gates Foundation continued to back our movement-wide child survival advocacy strategy with a further \$12.75 million spread over four years, including \$3.42 million in 2021. The funding helped us make the case for aid as a vital element of government support for the most children.

- We raised more than £2 million from the Children's Investment Fund Foundation, the Wellcome Trust, the Bill & Melinda Gates Foundation and the Open Society Foundations, to help us and our partners advocate for aid, call for a green recovery ahead of the G7 summit and COP, and found [Crack the Crises](#).

We are grateful for the continued support of many other partners including Arsenal, AXA XL, Castle Water, Clifford Chance, Discovery, Entertainment One and Peppa Pig, Hikma Pharmaceuticals, IHS Towers, Kingsmill, Pearson, QBE European Operations, Revolut, Virgin Atlantic, VolkerFitzpatrick, Twinings and wilko.

PHILANTHROPISTS

Philanthropists and charitable trusts generously shared their time, expertise and connections so that together we could achieve more for children.

We give special mention to H.E. Sheikh Thani Bin Abdullah Al-Thani and the Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund; Community Jameel; the Olayan Foundation; the Shefa Fund; the Abdulla Al Ghurair Foundation for Education; Her Highness Sheikha Jawaher bint Mohammed Al Qassimi with NAMA Women's Advancement Establishment; The Big Heart Foundation; People's Postcode Lottery; the Moondance Foundation; the Stavros Niarchos Foundation; the National Lottery Community Fund; the Latin American Children's Trust; the American Express Foundation; the Feltham Funding Circle; the Malala Fund; Natasha Kaplinsky OBE; Michael Edwards OBE; Richard Glick OBE; and Graham and Susan Tobbell.

For their generosity and commitment, we thank our fundraising boards, including the Africa Advisory Board, the Global Malnutrition Initiative Board, the Women's Network and the UK Appeal Board. Thanks also to our gala committees for their continued support during this time. Special thanks to the Winter Gala Committee, International Arbitration Charity Ball Committee, The IFR Awards, Sean Jones and David Burgess for leading the Billable Hour campaign, and Robert Diamant and Carl Freedman from Counter Editions.

We are very grateful to our Vice-Presidents for their unstinting support and fundraising: Sophie McCormick, Charlotte Ransom, Andrew Sibbald, Michael Edwards OBE, Gordon Campbell-Gray, Keith Mullin, Michael Ridley, Graham and Susan Tobbell, Erland and Rose Marie Karlsson, Ann and Bart Becht, Amanda Richards, Dora Loewenstein, Asa and Martin Hintze, John Reynolds, Peter Mallinson, Robert Glick and Femi Otedola.

GOVERNMENT AND MULTILATERAL PARTNERS

Our partnerships support all our work for children. Last year they generated £132 million for our life-changing programmes. For example:

- Irish Aid pledged €1.5 million for the second year of our programme to help women and girls in Ethiopia's lowlands. With the country's Ministry of Women and Social Affairs, the National Alliance to End Female Genital Mutilation and Child Marriage, and Islamic scholars, we worked to protect women and girls from gender-based violence and abuse.
- The UK government's FCDO provided another three years of funding to support our work with the Nigerian government to strengthen and expand social protection for children in Nigeria.
- We worked with the Global Partnership for Education (GPE) and the World Bank to provide books, teaching materials and teacher training in Sierra Leone and Yemen, benefiting around 187,000 children. While Education Cannot Wait and UNICEF supported our emergency education work in Tigray, Ethiopia.
- We partnered with the government of Zimbabwe on a \$2.34 million GPE programme, which – in the schools we supported – helped increase enrolment rates by 9% and attendance rates by 7%, and reduce drop-out rates to just 0.5%.
- Our SWAN consortium with World Vision, Action Against Hunger and the Norwegian Red Cross, supported by UNOCHA and Irish Aid, has seen us make 125 rapid responses to reach 5.7 million people with healthcare, protection, water, sanitation and hygiene services since 2019, including 1,926,130 people in 2021.
- We worked with the Welsh government, Newport City Council, local primary schools, parents, health visitors, police, young offenders' groups and housing associations to help children in the Bettws area of Newport succeed at school.
- Through our partnership with Power of Nutrition, we provided cash transfers to 9,500 pregnant women and caregivers with children under three in Malawi to help reduce malnutrition and boost childhood development.
- We signed an agreement with global vaccines alliance Gavi to work together to maintain recent health and immunisation progress, address vaccine hesitancy and support country-level planning to reach zero-dose children and marginalised communities.
- Our Humanitarian Leadership Academy embarked on a five-year partnership with the Islamic Development Bank which will support hundreds of civil society organisations to provide refugees with education, and hard-to-reach communities with income opportunities.

LOCAL PARTNERS

Most of our work across the globe would not be possible without our local partners. These include national and local non-governmental organisations, informal community-based organisations and local governing authorities. Their local knowledge, skills and connections make them a crucial part of our efforts to deliver lasting change for children. They make sure our work is led by children and their communities. For example:

- The Humanitarian Leadership Academy (HLA) developed a programme to train Save the Children Sudan staff, officials from the Sudanese government and local partners in the basics of humanitarian action. This is part of our work to give local organisations the skills they need to respond to the crises they face. It is our ambition to pursue similar partnerships in the Middle East and Eastern Europe. For more information on the HLA see page 13.
- The [Start Network](#) is working towards a decentralised model of national and regional hubs. Hubs will manage their own funds, and local and national NGOs will have direct access to funds. The first programme demonstrating this way of working is the [Start Fund Bangladesh](#), which aims to put more support and funding in the hands of national and local responders.

PUBLIC SUPPORT

Our work is only possible thanks to our incredible supporters. In 2021 they organised events, took on fundraising challenges and donned magical Christmas jumpers. More than 4 million people participated in our tenth Christmas Jumper Day, raising over £2 million.

The public generously supported our Emergency Fund in response to crises in India, Gaza, Haiti and Afghanistan, raising £1.9 million so we could rapidly reach the children who needed us most. The public continued to support appeals for Syria and Yemen, raising over £1 million.

Our campaigns, too, are powered by the UK public. Campaign Champions lobbied MPs to stop devastating cuts to the UK aid budget. Before the G7 in Cornwall, retail shops, local branches and supporters united in a Wave of Hope – calling for action on COVID-19, climate change and inequality. Throughout 2021 we supported people facing cuts to their Universal Credit payments – helping them call on the government to ‘Keep the Lifeline’. After the escalation in violence in August, we mobilised supporters to stand with the children of Afghanistan – and over 18,000 took action.

LEGACIES

In 2021, 887 amazing supporters left us gifts in their wills worth over £19.3 million – incredibly generous contributions that will help children build a brighter future. One of these kind legacies came from someone who established a Save the Children UK volunteer branch and was fondly remembered for making 200lb of marmalade every year to

raise money! Another incredible gift was from a lawyer at the Probate Registry. As someone familiar with wills, we’re so proud she chose to leave a transformational gift to Save the Children in her own.

VOLUNTEERS

We are hugely grateful to our approximately 4,000 dedicated volunteers. Their support in 2021 – including as community fundraisers, shop volunteers, campaign champions and speakers – was superb. Our shop volunteers contributed more than 100,000 hours of their time and our community branch fundraisers raised more than £450,000.

Thanks to the commitment and hard work of our staff and volunteers, we were able to reopen 112 of our shops – with extra safety measures in place – when COVID-19 restrictions were lifted across the UK.

We are extremely grateful to all our customers and donors for their continued support.

OUR PATRON

Over the last five decades, The Princess Royal has devoted time to visit Save the Children’s programmes, meeting with children and their families, as well as colleagues. In the UK, she values every opportunity to talk with our committed supporters and volunteers, and throughout her long association with the organisation she continues to be a powerful advocate of our work. We are honoured to have The Princess Royal as our Patron and are ever thankful for her unwavering support.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

High-profile supporters such as Luke Evans and Will Poulter helped us raise awareness about the need to protect children in emergencies in Gaza and Afghanistan, and from the impact of COVID-19.

Kate Moss launched an exclusive line of clothing to raise money for us in 2021, and famous friends helped promote the collection, including Poppy Delevingne, Jaime Winstone and Vicky McClure.

David Tennant narrated a children’s book, *The World Made a Rainbow*, from Bloomsbury Publishing, raising over £40,000.

We were proud to host Ambassador and Global Malnutrition Initiative patron Sir Mo Farah on a virtual visit with our Chief Executive Gwen Hines to see the impact of our malnutrition programme in Somalia and engage more deeply with our work.

Once again, we rounded off the year in style, with over 50 famous faces supporting Christmas Jumper Day, including Holly Willoughby and Kirstie Allsopp. Dame Helen Mirren, Munroe Bergdorf, Bukky Bakray and Yungblud were among the new names getting involved as part of a very special photography project spearheaded by renowned photographer and activist Misan Harriman.

BUILDING A MOVEMENT OF SUPPORT BEHIND OUR CAUSE

Key achievements

This year, we continued to deliver on our commitments to build deep and lasting connections with our supporters and partners. Here were some of our main achievements in 2021:

- We stepped up our focus on campaigning to get political and public attention on the issues that matter to children. Our supporters are a vital part of this work.
- We launched a new brand mindset and campaign platform called *Powering Possible*. It is inspired by children's attitudes and endless energy. It will drive us to find new ways to make a difference to children's futures. It will shift public perceptions of our brand so that more people join us to protect the rights of children.
- We sharpened our focus on creating powerful experiences for supporters, which inspire both new and deeper engagement. For example, we honed our loyalty programme to ensure supporters feel energised, impactful and connected; we continued to test and refine our children's book product *Wonderbooks*; we trialled a new approach to regular giving; and we explored the best ways to amplify our work through influencers.
- We worked to better understand the current diversity of our supporter base; we adapted our communications to ensure we are not taking power away from the communities we support; and we explored new ways of engaging with a wider base of support – in particular, Islamic audiences.

Challenges

We have effectively adapted in many ways to the 'new normal' created by COVID-19, but there remained some key challenges in 2021:

- Adapting to the new context has slowed our delivery of new and more innovative fundraising and marketing activities.
- Legacy notifications and income slowed because of delays in probate.
- Potential partners delayed making commitments to our work as they assessed the ongoing impact of COVID-19 on their own operations.
- Tighter budgets resulted in lower media spend and, therefore, less public visibility and reach.
- Our commitment to child rights means sometimes we need to challenge government policies that harm children – this can be controversial, but it is a core part of our charitable purpose.
- Uncertainty and changing regulations limited face-to-face fundraising events and activities.

In addition, the UK government's decision to reduce the aid budget from 0.7% to 0.5% led to budget cuts for several of our projects and it hindered the government's ability to have the policy impact that would have normally been associated with a UK-hosted G7. The UK's transition period for leaving the EU also ended, which meant we lost access to EU development and humanitarian funding.

Many of our INGO and domestic charity sector partners faced similar challenges of shrinking budgets and shrinking civil society space, both in the UK and around the world.





THE SAVE THE CHILDREN MOVEMENT

In 2021, our impact was wide-reaching and we worked together to achieve incredible things:



43,000,000

children were directly supported by the Save the Children movement and our partners, working across 118 countries*

31,900,000



adults were directly supported by the Save the Children movement and our partners

IN 103 EMERGENCY RESPONSES

the Save the Children movement and our partners supported 18 million children and 13.1 million adults across 80 countries



* This estimated total reach figure includes data from 90 countries, out of a total of 118 countries where we worked. While the proportion of offices that report continues to increase, this process does not yet reflect all programming across the Save the Children movement. For details of our relationship with the wider Save the Children movement, see page 6. A person is reached directly when she/he/they have received one or more project/programme inputs from Save the Children or a partner, or has participated in activities or accessed services provided by Save the Children or a partner, or by institutions or individuals supported by Save the Children or our partners.

† Refers to active volunteers holding a formal volunteering role as of 31 December 2021. Many more volunteers will have supported us during the year.



TOGETHER

SAVE THE CHILDREN UK

£240,000,000

raised by Save the Children UK and our supporters

3,955



VOLUNTEERS

in the UK gave their time, energy and skills to support our cause[†]



THE ART OF TOGETHERNESS

Sorella, six, is just one of the young artists who drew the doodles that form the word TOGETHER featured on this page. It's a word that captures the spirit of this annual report – and of our work.

The children created their artwork at the Food Pantry Store we support in Manchester. The pantry has helped the local community get access to good healthy food as they struggled to cope with the financial fallout of the pandemic.

In 2021, we invited families who use the pantry to co-create the artwork about togetherness.

We also helped provide activity packs at the pantry to give children something to look forward to each week. Many families have described the packs as a “godsend”, especially during lockdowns and school holidays. As well as encouraging children to be creative, they help families to bond and the whole community to make new friends – in other words, to come together.



PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN



PEOPLE AND CULTURE

Save the Children UK is here to make a positive, lasting difference for and with children. We can only realise that ambition by recruiting, retaining, developing, engaging and supporting our extraordinary people, so they can do the best work of their career here at Save the Children UK.

As a rights-based organisation, we hold equity and justice at the heart of our approach to people and culture. We are committed to valuing all of our people equally, and work hard to create an environment that is free from discrimination and inequity.

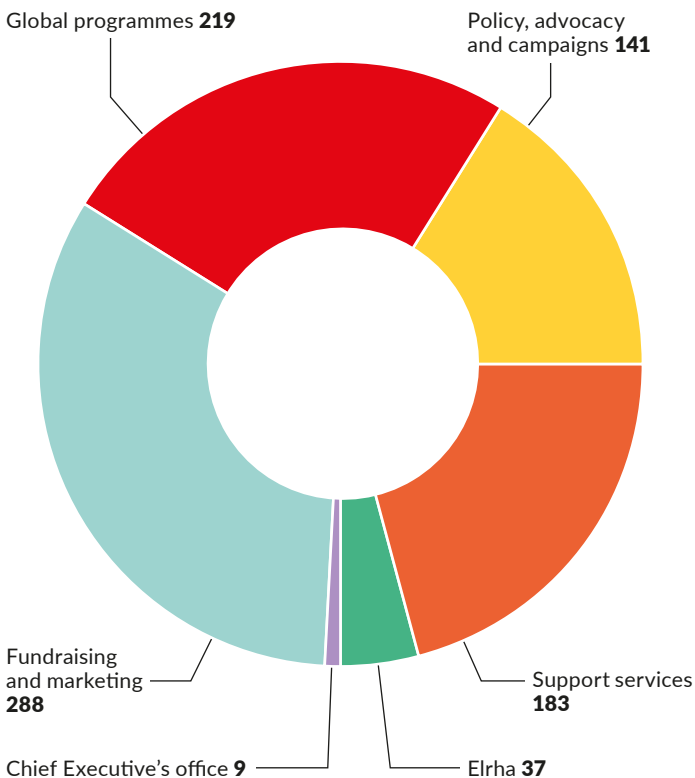
OUR PEOPLE

The Save the Children movement has around 23,500 staff working across the world, the majority in their own country.

As of 31 December 2021, 877 staff were employed at Save the Children UK and 3,955 people were working in a formal volunteering role.

To find out about our approach to pay and overheads, see page 56, and for details on our gender and ethnicity pay gaps, see page 58.

Save the Children UK staff by division



OUR PEOPLE AND CULTURE PROGRESS

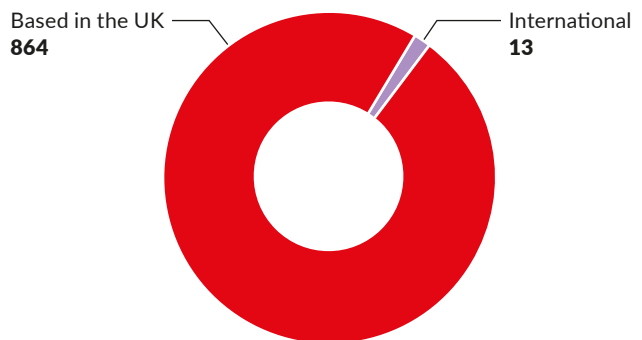
In 2020 we launched our People and Culture strategy, setting out how we plan to improve our organisational culture, better support our people and become the organisation we aspire to be.

Last year, we stepped up our efforts to support our people by:

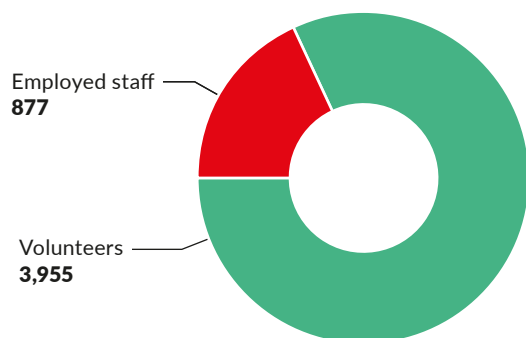
- refreshing our career-development framework
- launching an internal career-development coaching network
- introducing a programme to grow people managers' skills and confidence to help ensure all our staff experience positive, supportive and consistent line management.

Our Expectation Framework underpins this work. It explicitly lays out the responsibilities, behaviours and actions expected of our people managers, equipping them to support their teams and drive progress towards our ambitions.

Save the Children UK staff by location



Save the Children UK employed staff and volunteers



EMBEDDING DIVERSITY AND INCLUSION

We know we cannot create the impact we want for children if equity, diversity and inclusion isn't at the heart of everything we do. In 2021, we established a Diversity and Inclusion team for the first time ever, which reports to the Chief Executive. Our strategy, '[Free to be me](#)', provides us with a framework to realise these commitments, and is focused around three pillars:

- 1) building an inclusive and equitable workplace
- 2) tackling the underrepresentation of marginalised groups
- 3) decolonising development (ie, putting power back into the hands of communities).

Last year, we launched Breaking Barriers, our new pilot mentoring programme. It is designed to increase confidence, promote career progression and open up access to development opportunities. It's available to staff from Black, Asian and minority ethnic communities; staff with disabilities; staff who identify as LGBTQI+ and staff from working class or low-income backgrounds, because of the societal and systemic barriers these groups face.

To bring about meaningful change across the organisation, we need to be comfortable talking about uncomfortable issues on inclusion. We have held discussion sessions and had external speakers talk to staff about power, privilege and creating an inclusive working environment. We have rolled out a learning programme for senior staff called 'Talk and Transform'. And to make inclusion part of our individual responsibility, all staff have diversity and inclusion goals in their overall objectives.

In 2022, we will keep working hard to create a psychological safe space to have these conversations and move further towards becoming truly inclusive.

REVISING OUR POLICIES

To complement our strategies, we began revising the key policies that define staff behaviour, how staff performance is managed, and how people managers deal with conduct or grievance issues. As part of this work, we refreshed several policies in 2021, including our Code of Conduct and Respect at Save the Children UK, and launched a trans inclusion policy.

WELLBEING

We've continued to make staff wellbeing one of our top priorities this year, promoting it both during the pandemic and over the long-term. In 2021, we:

- launched a new wellbeing strategy and developed introductory training on mental health for all staff
- introduced paid disability leave, separate from other forms of leave, for colleagues with disabilities, to help them to manage their disability
- temporarily increased our sick-pay provision and continued to offer furlough to staff who couldn't work, in line with the government support scheme, which we topped up to 100%.

A total of 119 staff accessed our wellbeing service in 2021. The team provided short- and long-term support.

This year we safely re-opened offices across the four UK nations, introducing a hybrid working model. This meant that staff who could comfortably and effectively work from home did not have to come into an office. Those who were travelling overseas, or working from our offices or another location in the UK (including our shops), were supported to do so safely. We have a centrally managed system in place for dealing with cases of COVID-19 in offices and shops.

BECOMING A STRONGER, MORE EFFECTIVE ORGANISATION

Key achievements

For our staff to be able to do the fantastic work they do, we have to create the right environment and provide the right infrastructure. This year we have:

- improved our cyber-security and made sure we comply with industry standards to protect our data
- enhanced our digital systems, processes and tools, including planning how we implement our new supporter relationship management system
- updated our infrastructure to allow staff to work from home or the office, and promoted equal participation between in-office and remote workers
- provided staff with IT support and training.

Challenges

The COVID-19 pandemic posed significant challenges to teams working in facilities, staff health, risk and trading. Differing government guidance and regulations in each nation exacerbated these problems and led to frustration about disparities across the organisation.

We experienced capacity challenges in key areas due to funding constraints, absences and adjusted working patterns linked to COVID-19.

Cases of infection among staff and volunteers caused distress and made it difficult to maintain business continuity. Exhaustion and burn-out were also experienced by some staff, due to working long hours throughout the pandemic.

OUR STRATEGIC PRIORITIES: THE ROAD AHEAD

In 2021, we launched our new strategy, 'Let's Make Better Possible'. As we look to build on our past successes, over the next three years we will focus on the following goals:

Key theme	2022–24 strategic priorities
<p>Driving impact for children as a global Save the Children movement</p>	<ul style="list-style-type: none"> • Work towards our four global goals, providing children with a healthy start in life, a safe return to school and access to quality learning, a childhood free from violence and resilience to cope with future shocks. • Respond to and anticipate threats – from the climate crisis to child rights violations – across our work • Work more closely with the global Save the Children movement, ensuring we pool resources, expertise, partnerships and evidence to drive faster and lasting progress • Focus on the children and families most impacted by inequality and discrimination, e.g., girls, carers, children with disabilities, refugees and those facing racism
<p>Transforming how we work with children and communities</p>	<ul style="list-style-type: none"> • Ensure children's voices are central to shaping our approach. This includes embedding our Child and Youth Participation Strategy, establishing our Youth Advisory Board beyond its initial pilot phase and establishing and continuing partnerships with other youth-led organisations (eg, the Scouts) • Support the movement-wide 'localisation' strategy, which includes forging more equitable partnerships with community-based organisations and communities to deliver programmes and advocacy work, globally and in the UK
<p>Building a vibrant and inclusive movement of support behind our cause</p>	<ul style="list-style-type: none"> • Ensure our brand platform, <i>Powering Possible</i>, shapes everything we do and say, shifting perceptions of our brand from one that is old-fashioned and institutional to one that is aspirational, energising, distinctive and creative • Build powerful new propositions that are closely tailored to our future audiences' motivations and that give our supporters more value back • Renew and diversify our supporter engagement portfolio, shifting from a traditional transactional model to one that places greater emphasis on high lifetime value audiences of the future • Ensure our supporters feel personally impactful, energised and recognised through their relationships with us • Establish longer-term global partnerships that support our strategic goals
<p>Becoming a stronger, kinder, more diverse and inclusive organisation</p>	<ul style="list-style-type: none"> • Build a more diverse, inclusive and engaged workplace that delivers on our people and culture and diversity and inclusion commitments • Become a leaner organisation, minimising our operational costs so we can spend more on delivering impact for children • Explore innovative new venture models that unlock new income streams and partnerships with the potential to drive higher impact • Improve how we use digital technology, data and evidence to inform decision-making and establish how best to deliver impact

FINANCIAL PERFORMANCE

In what was another tough and uncertain year, we are extremely grateful to all our supporters for their continued generosity. We are committed to ensuring our income is used efficiently, effectively and responsibly by making every pound count.

HEADLINES

Our total income in 2021 was £240 million and our total spend was £236 million, a reduction of £49 million and £47 million respectively on the previous year.

£m	2021	2020	Increase/ (Decrease)
Restricted income	164	214	(50)
Unrestricted income	76	75	1
Total income	240	289	(49)
Restricted spend	162	211	(49)
Unrestricted spend	74	72	2
Total spend	236	283	(47)

The COVID-19 pandemic continued to affect our financial performance in 2021. The restrictions in place in the early part of the year reduced our income from our retail shops and fundraising events. Our unrestricted income was up £1 million on 2020 at £76 million, but remained substantially lower than pre-pandemic levels. At the same time, our restricted income was down £50 million on 2020, because of a combination of COVID-19 and conflicts around the world reducing our ability to deliver programme work through Save the Children International. Changes in the funding priorities of some of our key donors also had an impact on our restricted income. Some of this income will be carried forward and spent in 2022 as these programmes restart.

INCOME

Institutional donors: £132 million (2020: £160 million)

The income we receive from our institutional donors is primarily restricted income given in grant form for specific in-year or multi-year programmes across the world. Our overall income in the year from institutional donors fell by £28 million compared with 2020. The factors behind this fall include disruption to our programmes caused by COVID-19

and by conflict in Myanmar, Yemen and Afghanistan, as well as the effect of the FCO/DFID merger and subsequent aid cuts.

Individuals, legacies and communities: £65 million (2020: £65 million)

Income from individuals and communities was £46 million, down £2 million on 2020. Regular donations from individuals fell slightly – by £0.5 million – compared with 2020, reflecting the downward trend in regular giving as we continue to acquire fewer supporters than we are losing. One-off donations were down £1.5 million, as restrictions curtailed our fundraising events and appeal income fell. We received £19 million of legacy income in 2021, an increase of £2 million on 2020. It was still lower than our historic average, however, partly because of continuing delays at the probate office.

Corporates, major donors and trusts: £28 million (2020: £49 million)

Strong relationships with our corporate partners generated £15 million in 2021, down £7 million on 2020. This fall can be attributed to the one-off income we received in 2020 for our COVID-19 response. GSK remained our largest corporate partner (£6 million), followed by IKEA (£3.5 million) and Unilever (£2.5m).

Our income from major donors and trusts was £13 million in 2021, a decrease of £14 million on 2020. The end in 2020 of a substantial grant from Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund for drought response in Somalia is the main reason for this fall.

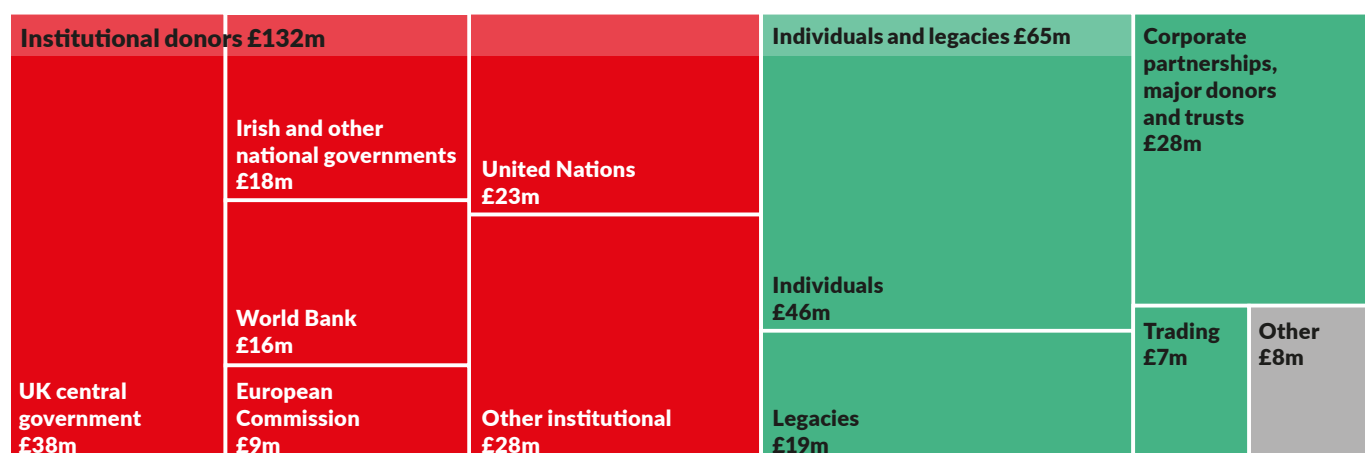
Trading: £7 million (2020: £7 million)

Despite COVID-19 restrictions in early 2021, our shops were open for longer than in 2020. As a result, our shop income was £7 million, up £3 million on 2020. It's still £3.5 million down on 2019, however, due to the continuing impact of the pandemic.

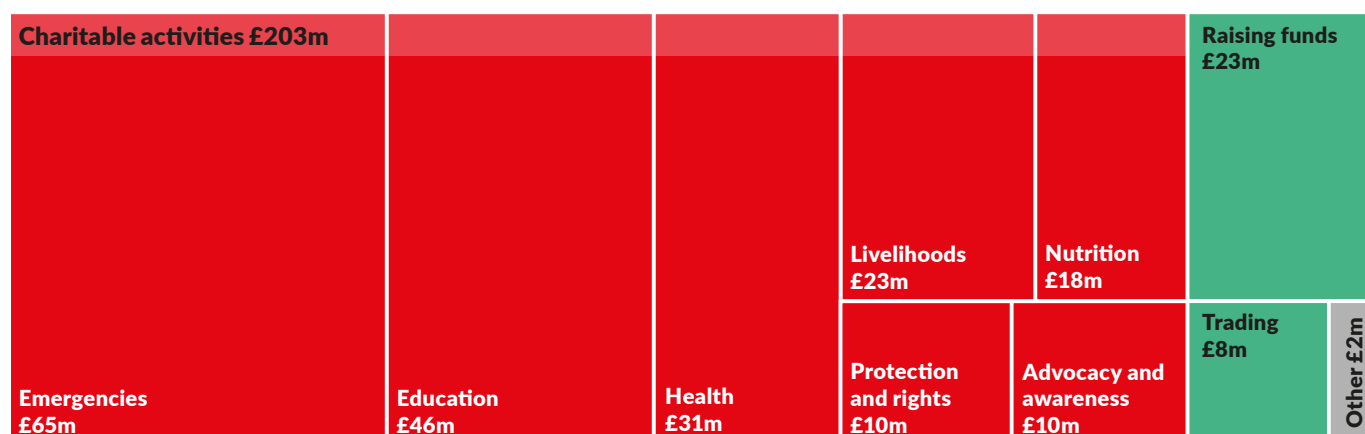
In 2020, the People's Postcode Lottery generated £3 million of trading income. Its funding approach has changed and the £2.6 million we received in 2021 is now included as donation income within major donors and trusts.

2021 income and expenditure

Total income £240 million



Total expenditure £236 million



EXPENDITURE

Our total expenditure in 2021 was £236 million, a reduction of £47 million on the previous year. A combination of COVID-19 and conflicts has helped cause this fall in spending by reducing our ability to deliver our programmes through Save the Children International.

Charitable activities: £203 million (2020: £252 million)

Our charitable expenditure includes £163 million directly on programmes in the UK and internationally; £8 million directly on advocacy and awareness; and £32 million on support costs for our programme, advocacy and campaigning work.

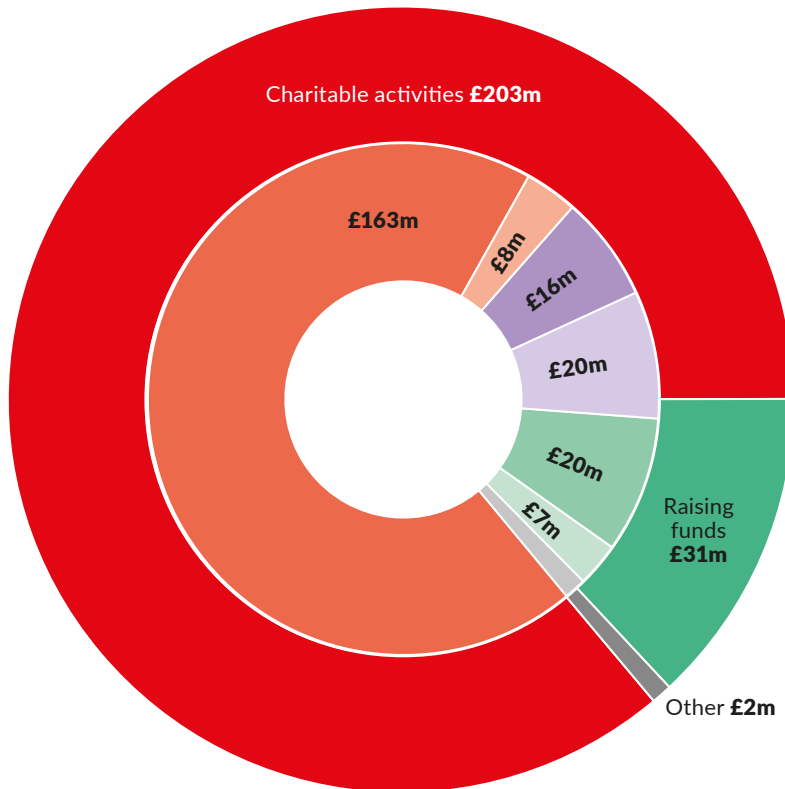
The diagram above shows our charitable expenditure broken down by thematic areas. For a geographical summary of where we've spent our money in 2021, see page 7.

We spent £65 million responding to emergencies in 2021, which includes grant expenditure of £22 million through the Start Network, and £9 million through our humanitarian entity Elrha. Our expenditure on livelihoods decreased by £15 million to £23 million in 2021, due to the end of a large Somalia drought response programme. Our health spending also fell by £11 million as some large health programmes in Myanmar and Yemen came to an end.

Our direct spending on advocacy and awareness in 2021 was £8 million, a £1 million reduction on 2020. We unite with others to drive long-term and sustainable change, including through an advocacy grant from the Bill & Melinda Gates Foundation on child survival.

2021 expenditure

Total expenditure £236 million



Charitable activities – £203m includes £163m of global programming £8m of advocacy and awareness £16m of programme support costs £16m allocation of management and administration support costs

Raising funds – £31m includes £20m of fundraising costs £7m of trading costs £4m allocation of management and administration support costs

Other – £2m
Costs relating to the sub-let of certain floors of the HQ building. Rental income is received to offset this.

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

Raising funds: £31 million (2020: £29 million)

Although slightly higher than in 2020, our investment in fundraising in 2021 was still £6 million down on pre-pandemic levels. We spent £23 million on the direct costs of running our diverse fundraising channels and activities, and £8 million on our retail shops. This reduced investment means our fundraising income hasn't yet recovered from the impact of the pandemic, but we are exploring options to grow our income again with increased investment once the financial situation allows. Retail costs in 2021 remained stable as they mostly comprise fixed overhead costs. Our shops operated at an overall loss due to the closures in early 2021, but higher retail income during the rest of the year resulted in a much smaller loss of £0.5 million, compared to a £4 million loss in 2020. In 2022, we have budgeted for a full year of trading and a return to profitability for our shops.

Support costs

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

Management and administration support costs were £20 million in 2021, in line with 2020. This includes spending on finance, human resources, technology, legal and governance activities (such as child safeguarding), protection against fraud, and audit costs. While these costs are a necessary part of running the organisation, we continually look for efficiencies, so we can allocate more of our funds to deliver impact for children.

Programme support costs – those incurred in designing and monitoring programmes, and by Save the Children International in delivering programmes – were £16 million in 2021, a £2 million reduction on the previous year. Our share of the overall membership contributions payable to Save the Children International fell in 2021, because of our lower levels of programming in the year.

TOTAL FUNDS

As at the end of 2021, the closing funds are made up of the following balances.

	2021 (£m)	2020 (£m)
General reserve	33.1	34.1
Revaluation reserve	5.9	4.4
Designated funds	6.1	6.4
Pension reserve	(0.1)	(2.8)
Total unrestricted funds	45.0	42.1
Restricted funds	14.0	11.6
Endowment funds	5.5	4.9
Total restricted funds	19.5	16.5

Unrestricted funds

General reserves of £33.1 million are the part of the charity's funds that are not restricted or designated to any particular purpose. The balance on the revaluation reserve is the unrealised gain on our investment portfolio. Designated funds are funds that have been invested in fixed assets, associates or programme-related investments or have been allocated for a specific purpose by the trustees (further details in note 21 of the financial statements). Along with the revaluation reserve and pension reserve these funds are not readily available, so are not included in the calculation of general reserves.

Restricted funds

Restricted funds of £19.5 million represent funds that have been given for a particular purpose. The trustees have no discretion to reallocate them for other use. See restricted funds note 22 of the financial statements for further details of how this balance is split by region, specific appeal or thematic area. These balances will be spent on programmes in these areas in future years. The endowment fund represents the value of a donated asset; the fund is permanent and only the income generated by the fund can be expended.

RESERVES POLICY

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

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

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

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. Our general reserves are matched by highly liquid investments so that we can draw on them quickly if necessary. See further details in the investments section on page 43.

Our reserves range is reviewed annually. In 2021, our target reserves range was £28–£33 million. Our closing general reserves of £33 million are therefore at the top of the target range. Ahead of approving the 2022 financial budget, the Board reviewed an update of the detailed risk assessment used to assess the level of general reserves appropriate for the charity to maintain. As a result of the Save the Children Defined Benefit Pension Scheme now being in surplus, deficit reduction payments of c£5m per annum stopped in 2021. Any potential liability relating to the Scheme benefit review (see note 25h of the financial statements) would primarily be funded through a multi-year payment plan that would be agreed with TPT. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit. The trustees have determined to increase reserves annually until 2024 (when a court ruling is anticipated to be made) and therefore have agreed that a higher approved range of £30–£40m is appropriate for 2022.

INVESTMENTS

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

Newton Investment Management Limited manages our portfolio of equity and fixed-interest investments in accordance with our ethical investment policy. We match part of our reserves with investments that are not subject to market volatility in case we need to draw on our long-term reserves at short notice when markets are weak. We maintain the majority of our investments in equities and bonds to give us the opportunity of long-term growth. The portfolio reported a gain of £3 million in 2021, following a gain of £1 million in 2020.

PENSION SCHEME

The valuation of Save the Children's Defined Benefit Scheme (a scheme in the TPT umbrella trust), for the purposes of FRS 102, showed a funding surplus of £21 million at the end of 2021 (2020: deficit of £2.2 million). This surplus has not been recognised on the balance sheet, as the charity is unable to recover the surplus through either reduced contributions or refunds from the scheme. The FRS 102 valuation is different from the triennial actuarial valuation, which was last made in September 2020 with a funding update in September 2021. The September 2021 valuation showed a surplus of £12.1 million; it was therefore agreed with the Trustee of TPT that we would stop making deficit contributions in October 2021. As detailed in note 25h of the financial statements a review of scheme benefit changes is currently being undertaken.

We also have a Defined Benefit Growth Plan Scheme in the TPT, which had a deficit of £0.1 million at the end of 2021 (2020: deficit of £0.5 million). See note 25 of the financial statements for further details on both schemes.

GRANT-MAKING POLICY

Save the Children UK works in partnership with many organisations and during the year we provided grants to the value of £139 million. The largest amount of grant money was given to Save the Children International. Grant-funded partnerships may involve our staff working in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate emergency relief. Such grants help local organisations provide sustainable benefits for communities and so further our own objectives. We carefully consider the experience, reach and governance of potential partners, as well as the value they will add to our work with children. Grants are managed through specific agreements with partners, which set out the conditions of the grant, including disbursement arrangements and reporting requirements to monitor spend.

FINANCIAL RISK MANAGEMENT

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

Amounts due from donors mainly relate to major institutional and corporate donors, and the associated credit risk is therefore considered to be low. The risk of disallowances arising from donor audits is also considered to be low. There are no external borrowings, and processes are in place to monitor cashflows in order to minimise liquidity risk. Purchased goods and services are subject to contracts with suppliers based on market prices. Appropriate action is taken to mitigate foreign exchange risk. Our arrangements with donors allow for some flexibility in grant budgets if there are changes in foreign exchange rates. We also review assets and liabilities by currency on a monthly basis and if required reduce net exposures to agreed targets. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

GOING CONCERN

We have set out above a review of Save the Children UK's financial performance and the general reserves position for 2021. Although the COVID-19 pandemic continued to create significant uncertainties, we managed our expenditure in 2021 to end the year within our reserve range.

The financial statements have been prepared on the going concern basis. The trustees have prepared cashflow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that, taking account of reasonably possible downsides on our operations and financial resources, the group and charitable company will have sufficient funds to meet our liabilities as they fall due for that period. More information is provided in the accounting policies section of the financial statements on page 70.

ANNUAL TRUSTEE RISK STATEMENT

HOW WE MANAGE RISK

Save the Children UK believes effective risk management is key to successfully delivering our strategic priorities and achieving our ambitions for children.

Principal risks and uncertainties in 2021

Once again, the COVID-19 pandemic and its impact dominated our work last year. Protecting health, safety and wellbeing remained central to our response.

As with many other charities across the UK, we experienced increased risk to our financial stability. We lost income from our retail shops and fundraising events. But we kept our expenditure under close control and continued to diversify our income streams. And we took robust measures to manage the health risks of COVID-19 to our staff, volunteers and the children and communities we work with.

We implemented new workstreams, such as a mentoring programme for diverse staff groups and a programme to help people managers grow their skills and confidence. These workstreams aimed to improve staff engagement and reduce attrition.


Outside the UK, Save the Children's strategy and operating environment expose us to a range of risks. Our commitment to reach the most marginalised and disadvantaged children requires us to work in conflict-affected and fragile states, and in humanitarian emergencies. This has implications for our risk profile. During 2021, we worked closely with the Save the Children movement and our funding partners to meet the challenges presented by the pandemic and manage the risks to our international programmes.

How we managed our principal risks in 2021

We updated the organisational risk profile on a quarterly basis to ensure it reflected new or rising threats, as well as the shifting impact of the pandemic. Despite a challenging year, most of our principal risks remained stable through 2021. That's because we used agile mitigation strategies, set out in the table below, in response to changing threats and priorities. We measured our principal risks against our agreed risk appetite. These were then reviewed and challenged by the Audit and Risk Committee and Board of Trustees, who received regular risk updates throughout the year. They considered the potential impact of risks on the organisation and its ability to achieve its ambitions for children.



Risk movement in 2021

 Increased  Stable  Reduced

Principal risk	Risk mitigation strategy
<p>Impact for children </p> <p>Failure to work effectively with Save the Children International and other partners to develop strong country strategies, design evidence-based programmes and implement them effectively will limit the impact of our programmes and advocacy.</p>	<p>We work closely with Save the Children International to design and deliver our international programmes and have robust arrangements in place to monitor their effectiveness.</p> <p>In 2021, we continued to focus on managing risks to the delivery of our UK and international programmes, and adapting to the needs of children in a pandemic. With our partners, we designed and delivered support for children and families worst-affected by the crisis.</p> <p>We worked with the movement and other partners to deliver messages on how the pandemic was affecting children and families, amplifying their voices and maximising the impact of our advocacy both in the UK and overseas.</p> <p>In the UK, we established our Youth Advisory Board to ensure we really understand and address the issues that children care about.</p> <p>Our Board of Trustees received updates about our UK and international programmes throughout the year.</p>

Principal risk	Risk mitigation strategy
<p>Safeguarding the children and adults we work with </p> <p>If we do not have adequate systems to prevent and respond to safeguarding incidents, children and adults may be harmed and confidence in Save the Children's ability to deliver its mission may be compromised.</p>	<p>We continue to invest in our safeguarding arrangements, ensuring that they are robust and reflect the environments in which we work.</p> <p>We have policies and procedures to help ensure a safe environment, including pre-engagement checks for staff and volunteers, mandatory training and reporting requirements and a robust code of conduct. Our arrangements are routinely subject to independent audit and review. We recognise the need to continuously work on our controls and processes to drive improvement in this area.</p> <p>In 2021, sickness and resignation created gaps in our Safeguarding team, but we were able to fill them using experienced staff from established external providers. In the UK, teams across the charity worked proactively to prevent safeguarding incidents in our UK activities. We updated our safeguarding and whistleblowing policies, and encouraged staff and volunteers to report incidents and concerns through a variety of channels.</p> <p>We are working with Save the Children International to address safeguarding risks to the children, adults and staff in our international programmes. This includes adhering to the policy and standards set out in our Global Child Safeguarding protocol.</p> <p>In 2021, we established a Safeguarding Committee as a formal sub-committee of the Board of Trustees, chaired by an appointed safeguarding trustee. Our Board of Trustees and Safeguarding Committee received regular updates on the effectiveness of our safeguarding measures.</p>
<p>Health and wellbeing of our staff and volunteers </p> <p>Failure to protect our staff and volunteers from health and safety incidents and promote wellbeing during the current pandemic could harm our people and expose Save the Children to regulatory action.</p>	<p>In 2021, we revised our health and safety policies, and introduced a compulsory new health and safety training package for all staff.</p> <p>Specialist staff provided employees with advice on both physical health and mental wellbeing. In response to the COVID-19 pandemic, a Staff Health Advisor supported the management of COVID-19-related risks both in the UK and overseas. We supported home-working arrangements, providing staff with office equipment and advice on how to work safely at home and protect their own wellbeing.</p> <p>We put robust measures in place to create safe office and shop environments. This included providing COVID-19-related health and safety training to our retail teams.</p> <p>For those staff who were deployed overseas in 2021, we refined our approach to travelling during a pandemic. Our Wellbeing team provided direct support to staff, and pointed them towards other mental health resources.</p> <p>Our Board of Trustees received regular reports on health and safety through our Audit and Risk Committee. Despite the challenges presented by COVID-19, they accepted all remaining health and safety audit actions as closed.</p>
<p>Programming in complex environments </p> <p>We face a range of risks to staff safety and security in the complex environments where we work. Such environments also bring risks of fraud, bribery, corruption and inadvertently working with (or assisting) prohibited parties.</p>	<p>Save the Children International delivers most of our overseas programmes and is responsible for managing operational risks in the challenging environments where we work. In 2021, we worked closely with SCI to mitigate those risks, including COVID-19-related threats.</p> <p>In 2021, we continued to deploy staff to provide programme support. We trained them to manage the risks involved in delivering programmes, including threats concerning security, fraud, corruption and diversion of aid. We provided those deployed to humanitarian crises and conflicts with support for their mental wellbeing.</p> <p>Our Audit and Risk Committee received regular fraud reports throughout the year, as well as reports on our safety and security arrangements.</p>

Principal risk	Risk mitigation strategy
<p>Meeting regulator, donor and supporter expectations </p> <p>Failure to meet the compliance expectations set by our regulators and donors would affect our ability to fundraise and operate in the UK. We must stand up to scrutiny from stakeholders, including the media and supporters.</p>	<p>Our governance is underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meeting our legal and regulatory obligations. We deliver fundraising and marketing activities in line with our Supporter Promise, being open about the standards we hold ourselves to when communicating with our supporters.</p> <p>In 2021, we continued streamlining and updating our internal policies and procedures. We also introduced improved guidance in our Fundraising and Marketing division to better support compliance with our legal and regulatory requirements when embarking on a new activity.</p> <p>Our Board of Trustees and Audit and Risk Committee received regular updates on compliance.</p>
<p>Workplace culture </p> <p>Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers, and could lead to reduced trust in Save the Children.</p>	<p>All staff sign a Code of Conduct to promote compliance with employee-relations policies. We are implementing a comprehensive programme to build a more positive workplace culture and strengthen our people management capabilities.</p> <p>In 2021, our core employee policies were revised in consultation with staff, and training on these is ongoing. We launched Evolve, our new management-development programme, which helps people managers across the organisation grow their skills and confidence. We have regular check-ins on our expected workplace behaviours, challenging staff to reflect on how we listen and speak to each other, and encouraging us to hold ourselves personally accountable for our own conduct. All of this is designed to promote the respectful and inclusive behaviours we expect to see in the workplace.</p> <p>We continued to implement our Diversity and Inclusion strategy, launching the new training package at the end of year. We asked staff to set their own personal goals to promote diversity and inclusion.</p> <p>We launched our revised whistleblowing policy in November. And we completed an employee engagement survey in the summer, which showed progress had been made on strengthening our workplace culture. But there remains more to be done.</p> <p>Our People and Culture strategy is regularly reviewed by our Board of Trustees and People Committee.</p>
<p>Attract, engage and retain talented people </p> <p>Our people are our greatest asset. If we fail to attract, engage and retain the best staff, we're less able to make a difference for children.</p>	<p>We aim for all staff to have clear personal objectives, which help contribute to our vision and mission. Our pay and grading structure supports opportunities for career progression within the organisation. We conduct regular staff surveys to monitor engagement.</p> <p>In 2021, we launched our new management-development programme, mandatory for all people managers, to improve the ways in which we manage staff at Save the Children. Our Board of Trustees and People Committee received regular updates on how we manage our people.</p> <p>Our new Diversity and Inclusion strategy aims to improve how we attract, engage and retain talent from underrepresented and marginalised groups.</p> <p>Having dropped during the first year of the pandemic, our staff attrition rates started to rise again in the latter half of 2021, as employees began to seek new opportunities. We will continue to manage this issue in the coming year.</p>

Principal risk	Risk mitigation strategy
<p>Safeguarding confidential and sensitive information </p> <p>If we, or one of our suppliers or partners, lose or allow unauthorised access to the data we hold on children and their families, supporters, staff, volunteers or partners, it could cause harm to those individuals and lead to regulatory action against Save the Children.</p>	<p>We have mandatory training in place on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents.</p> <p>In 2021, we further strengthened our cyber-security, upgraded our IT infrastructure and refreshed our business recovery processes in the event of an incident. We kept our Cyber Essentials certification.</p> <p>We conducted tests to assess the effectiveness of our controls and strengthened how we share sensitive information internally and with the wider movement. We provided guidance to staff on the cyber-security and data-protection risks of homeworking during the pandemic, and mitigated those risks where possible. An internal audit of our arrangements was completed and shared with our Audit and Risk Committee.</p> <p>Our Board of Trustees and Audit and Risk Committee received regular updates on our compliance with data-protection policies.</p>
<p>Financial stability </p> <p>External shocks or trends impacting our income, cashflow or reserves could put our future financial stability at risk.</p>	<p>We monitor our actual and forecasted financial performance continuously so that we can take the appropriate measures in good time.</p> <p>In 2021, our financial performance continued to be impacted by the pandemic. We had to close our shops, cancel events and reduce community fundraising. We have dealt with this reduction in income by managing our costs, in particular reducing investments in fundraising activities. As a result, we have maintained a strong level of general reserves through the year. We increased our general reserves range to reflect the increased uncertainty in the calculation of our defined benefit pension liability. This, together with controls around working capital management, enable us to ensure our financial stability.</p> <p>Our restricted income also fell, but we have successfully generated some new sources of funding, such as the Global Partnership for Education and the Lego Foundation. Continuing to diversify our income streams will be challenging for some time, though, given the political and economic climate we now face.</p> <p>To inform their decisions, our Finance Committee and Board received updates on actual and forecasted financial performance throughout the year.</p> <p>See also page 43 for financial risk management.</p>

Continuous improvement in how we manage risk

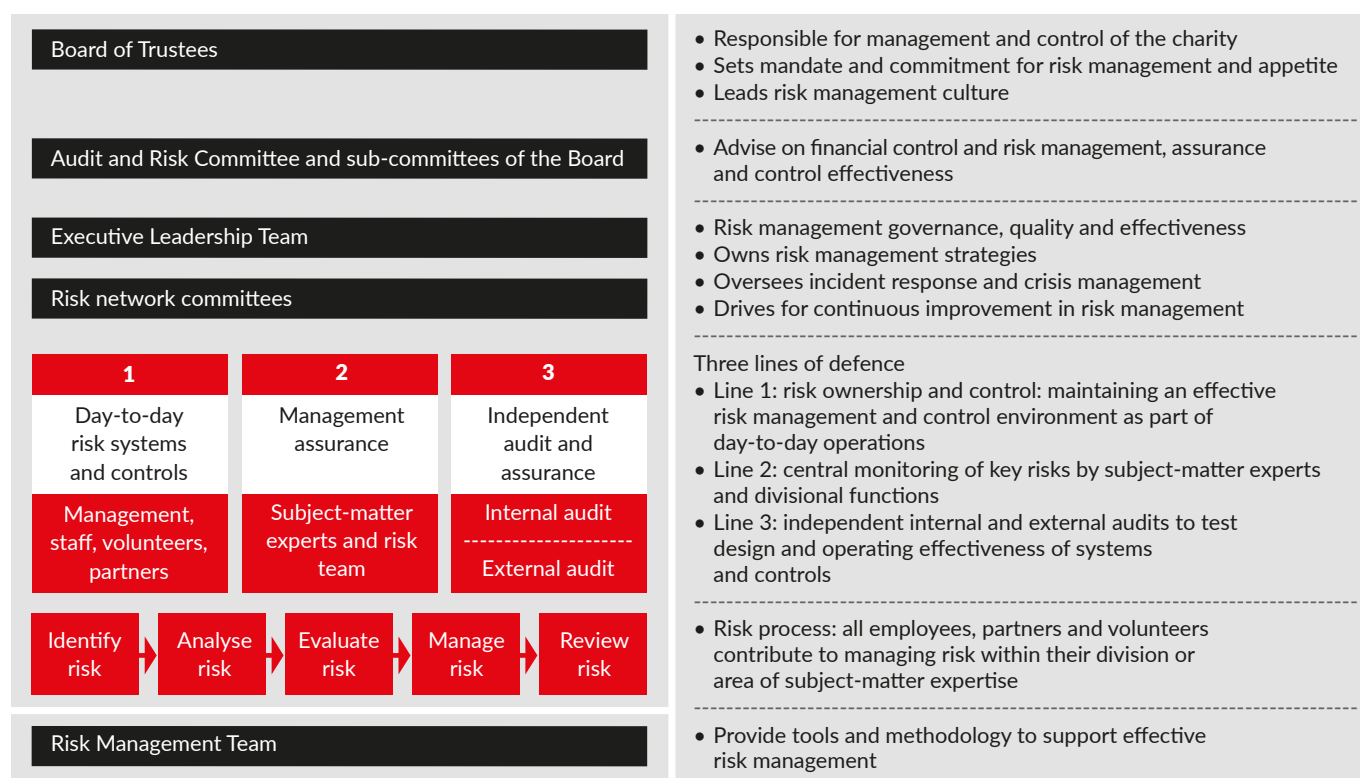
In 2021, the Board of Trustees agreed a refreshed risk appetite. A revised risk policy was approved by the Audit and Risk Committee in September.

We used the lessons from our 2020 pandemic response to improve our 2021 business continuity plan for responding to an incident.

We selected an incident-reporting and case-management system that will better support us in managing incidents and near misses in the future across the charity. We'll implement the new system in 2022.

The pandemic tested our second line of defence (see diagram on page 48), applying pressures particularly where we have single points of failure in technical areas of crucial risk management. While we were able to maintain our risk mitigation, the impact of the pandemic allowed us to consider how we can better strengthen and structure our first and second lines of defence (see diagram on page 48) against key risks. We will make sure this work becomes more firmly established in 2022.

ROLES AND RESPONSIBILITIES FOR MANAGING RISK



Working together to manage shared risks

The Save the Children movement operates through a networked structure, and members share exposure to financial, operational and reputational risks. We therefore work closely with Save the Children International and other Save the Children members to ensure that, in our challenging operating environments, we identify and manage shared risks. In 2021, the movement continued to work together to mitigate the risks to our financial stability and global strategy arising from the COVID-19 pandemic, as well as to the delivery of our programmes in some of the world's most difficult places to work.

Internal audit

In 2021, our internal audit function was delivered by Save the Children International's Global Assurance team, with continued support from Grant Thornton. Risk-based audits were conducted across key areas such as anti-terrorism financing, safeguarding, cyber-security and volunteer management. Internal audit reports were shared with the relevant executive director, as well as the Audit and Risk Committee. Progress on agreed audit actions were reviewed by the Audit and Risk Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURAL AND ADMINISTRATIVE DETAILS

A GLOBAL MOVEMENT

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

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

SAVE THE CHILDREN UK

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

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

TRUSTEES*

Trustees	Committees**
Dr Tsitsi Chawatama-Kwambana (Chair) (appointed 25/01/2021)	N
Charles Steel (Interim Chair) (resigned 25/01/2021)	N, D, O
Richard Winter CBE (Hon. Treasurer; Co Vice Chair)	A, F, I
Arabella Duffield (Co Vice Chair)	A, D, S
Jahnine Davis (resigned 02/08/2022)	S, ST
Anne Fahy	O
Jessica Gladstone	D, S
Razia Khan	D
Dianna Melrose	N, W
Kajal Odedra	N, P
Tanuja Randery (resigned 30/09/2021)	P, O
David Ripert	P
Babatunde Soyoye	F
Mark Swallow	A, F, I
Gordon McFarland was appointed as a trustee of the charity on 24/01/22.	

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS

Independent Members and External Advisers	Committees**
Richard Bernays (retired 09/03/2021)	I
Peter Moon (retired 15/12/2021)	I
Louise Hall (appointed 22/06/2021)	I
Stephanie Limond (appointed 22/06/2021)	I

* Trustee biographies are available on our [website](#)

** Committee membership as at 31 December 2021 or as of resignation/retirement date

Committee	Chair
(A) Audit and Risk Committee	Mark Swallow
(F) Finance Committee	Richard Winter
(I) Investment and Pensions Sub-Committee	Richard Winter
(D) Donation Acceptance Committee	Jessica Gladstone
(N) Nominations Committee	Dianna Melrose (appointed as Chair 07/12/2021. Kajal Odedra resigned 06/12/2021)
(P) People Committee	Gordon McFarland (appointed as Chair 01/04/2022. David Ripert appointed as Interim Chair 04/10/2021, resigned 31/03/2022. Tanuja Randery resigned 30/09/2021)
(O) Oversight Sub-Committee	n/a
(S) Safeguarding Committee	Tsitsi Chawatama-Kwambana (appointed as Interim Chair 15/08/2022. Jahnine Davis resigned 02/08/2022)
(ST) Safeguarding Trustee	Tsitsi Chawatama-Kwambana (appointed as Interim Safeguarding Trustee 15/08/2022. Jahnine Davis resigned 02/08/2022)
(W) Whistleblowing Trustee	Dianna Melrose

EXECUTIVE DIRECTORS as at 31 December 2021

Gwen Hines	Chief Executive Officer (appointed 15/07/2021 following appointment as interim CEO on 02/06/21)
Kevin Watkins	Chief Executive Officer (resigned 15/07/2021)
Adam Berthoud	Interim Executive Director of Global Programmes
Fiona Clark	Executive Director of Transformation
Francis D'Souza	Chief Financial Officer
Gemma Sherrington	Executive Director of Fundraising and Marketing
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Interim Executive Director of People

COMPANY SECRETARY

Habibunnisha Patel

PRINCIPAL PROFESSIONAL ADVISERS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR

KPMG LLP
15 Canada Square, London E14 5GL

PRINCIPAL BANKERS

National Westminster Bank
PO Box 83, Tavistock House, Tavistock Square
London WC1H 9NA

PRINCIPAL INVESTMENT MANAGERS

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

PRINCIPAL LEGAL ADVISERS

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

SAVE THE CHILDREN UK GROUP MEMBERS

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

- **Elrha** aims to find solutions to complex humanitarian problems through research and innovation. It was designed and developed within Save the Children UK and was established as an independent subsidiary charity in May 2018.
- **Save the Children (Sales) Limited** aims to generate income for the charity through commercial promotions run in conjunction with our corporate partners and by trading new goods through our shops, branches and website.
- **Humanitarian Leadership Academy (Enterprise)** aims to enable people around the world to prepare for and respond to crises in their own countries, and generate income for Save the Children UK.
- **Humanitarian Leadership Academy** was designed and developed within Save the Children UK and was established as an independent subsidiary charity in November 2015. All of the Humanitarian Leadership Academy's activities (including its subsidiary, Humanitarian Leadership Academy Enterprise) were transferred back into Save the Children UK in 2019, and it no longer has any independent operating activity.
- **Medical Emergency Relief International (Merlin)** aims to end the needless loss of life in the world's poorest countries caused by a lack of effective healthcare. Merlin's activities have now been fully transferred to Save the Children UK, after Save the Children UK became the sole member of Merlin in 2013. As a result, Merlin no longer has any operational activity.

The results of each subsidiary are consolidated into the group accounts. For further details, see accounting policies on page 70 and group members note 14 of the financial statements on page 82.

GRANT CUSTODIAN FOR START NETWORK

Save the Children UK was the host agency of [Start Network](#), a network of more than 50 non-governmental organisations working to build a more localised, proactive and effective humanitarian sector. As the principal charity within the consortium, Save the Children UK was legally responsible to donors for the charitable application of funds. Funding for the consortium was recognised by Save the Children UK as a separate restricted fund under the agreement with donors.

On 1 May 2019, Start Network became an independent charity, with Save the Children UK as sole grant custodian for some of its work. Following transition, only income and expenditure of awards where Save the Children UK is acting as the grant custodian, and in that capacity is legally responsible to donors for the charitable application of funds, are recognised. Start Network continues to work with Save the Children UK to bring on additional grant custodians.

HOW WE MANAGE OUR AFFAIRS

THE BOARD OF TRUSTEES AND COMMITTEES OF THE BOARD

The Board of Trustees is responsible for ensuring that all the organisation's agreed charitable objectives and activities are within UK law. Its work includes setting our strategic direction and agreeing our financial plan. Matters reserved for the Board are set out clearly in the Standing Orders of Save the Children UK.

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

In 2021, the Board held four virtual meetings to review our overall progress – on the basis of reports from the Chief Executive and Executive Leadership Team – and to assess the organisation's financial position and risks. During these meetings it:

- approved the charity's three-year strategy for 2022–2024
- reviewed the charity's performance in delivering against our objectives in 2021
- monitored the organisation's principal risks and progress on people and culture change
- agreed our budget for 2022.

The Board also held a number of ad hoc virtual meetings to discuss operational and financial matters with executive directors. These matters included locally led action and decolonising aid, the charity's annual report and accounts, the triennial Board-effectiveness review and the charity's participation in a financial redress scheme in Scotland for survivors of historic child abuse while in care.

As of 31 December 2021, there were eight women and four men on the Board of Trustees, five of whom identify as people of colour.

The Board has delegated specific responsibilities to six regular committees (the Audit and Risk, Finance, Donation Acceptance, Nominations, People and Safeguarding committees), one subcommittee (Investment and Pensions) and one temporary committee (which was unwound in March 2021), whose members are appointed by the Board. The chair of each regular committee reports back to the Board at each formal meeting.

- The **Audit and Risk Committee** oversaw preparation of the 2020 annual report. It reviewed the assurances provided to trustees about the control environment in operation during 2021, and considered reports from our external auditor. It agreed a programme of internal audits to be conducted in 2021, and received reports of completed reviews and agreed actions. The committee

was updated on the management of key risks across a number of topics, including programming, safeguarding, fundraising and marketing, health and safety, security, finance, tax, insurance, people management, volunteer management, fraud, advocacy and campaigns, information management (including cyber-security), data protection, and business continuity planning. For more information, please see the annual trustee risk statement on pages 44–48. The committee met five times in 2021.

- The **Finance Committee** reviewed the financial out-turn from 2020 and in-year forecasts for 2021, discussed the 2022–2024 financial model and supervised preparation of the 2022 budget. The committee also oversaw activities of the subsidiary entities, approved all Save the Children UK decisions to accept awards worth more than £10 million, and reviewed quarterly treasury updates. The committee met four times in 2021.
- The **Investment and Pensions Sub-Committee** is an advisory sub-committee of the Finance Committee. It met 12 times in 2021 to review the performance of Save the Children UK's investment manager and pension funds.
- The **Donation Acceptance Committee** considers potential high-risk donations to Save the Children UK and makes decisions about whether it is in the best interests of the charity – and ultimately, in the best interests of children – to accept a donation or not. Information was shared with the committee by email throughout the year, and the committee met once. In 2021, it assessed 44 different potential high-risk opportunities from a range of donors (individuals, companies and trusts) and sectors, ranging from retail to finance. Of these, Save the Children UK agreed to proceed with 43 opportunities and rejected one.
- The **Nominations Committee** finds and recommends potential candidates for election to the Board. It identifies the skills, experience and knowledge required from new trustees by considering the collective skills profile of the current Board. It manages a formal, rigorous and transparent recruitment process based on merit and objective criteria. This includes advertising roles nationally in line with good governance practice under the Charity Governance Code. It considers appointments to the charity's Board committees. The committee is responsible for promoting diversity and inclusion at Board level and ensures new trustees are recruited in a way that encourages diversity and inclusivity. The committee is responsible for an annual review of the Chair's performance.
- The **People Committee** was established in 2020, replacing the Remuneration and People Committee. This change reflects a wider remit set out within the People and Culture strategy. The committee oversees the organisation's work on its people and culture, and performance and pay. It is also accountable for reviewing the performance of the Chief Executive,

executive directors and other key senior staff, and makes recommendations to the Board on their remuneration, benefits and terms of employment. In 2021, the committee oversaw progress on the development and implementation of a number of workforce priorities, including the People and Culture strategy, Diversity and Inclusion strategy, managing the implications of the COVID-19 pandemic for our staff, and workforce development. The committee holds the Executive Leadership Team to account for employee-related decisions and monitored the implementation of all recommendations from the 2018 Independent Review of Workplace Culture. The committee met four times in 2021.

- The **Oversight Sub-Committee** was a temporary subcommittee of the People Committee. It was responsible for overseeing the improvement in the organisation's adult safeguarding practices. The committee was disbanded on 18 March 2021, and the Safeguarding Committee took on its responsibilities.
- The **Safeguarding Committee** is a new permanent committee established by the Board on 18 March 2021. It oversees serious safeguarding incidents, external investigations and reviews into serious incidents (where appropriate), the charity's safeguarding policies, the effectiveness of its safeguarding accountability mechanisms and its priorities for engaging on safeguarding matters with third parties, as well as reviewing its progress on safeguarding culture.

TRUSTEES' RESPONSIBILITIES

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

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

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

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

- select suitable accounting policies and then apply them consistently

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

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

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

EXTERNAL AUDITOR

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

PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that we provide public benefit and achieve our objectives, as set out in our governing document. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. These objectives include: the relief of distress and hardship, promoting the welfare of children, researching these matters, and public education about them. These objectives fall under the purposes defined by the Charities Act 2011. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives, and in planning our future activities.

CHARITY GOVERNANCE CODE

In 2017, the Board of Trustees resolved to adopt the Charity Governance Code for larger charities. The code encourages charities to publish a brief narrative in their annual reports explaining how they apply it. In 2020, the Board conducted an external board effectiveness review, in accordance with the code's requirement that large charities carry out such a review every three years. The review was carried out against the updated code which enhances focus on the principles of integrity, equality, diversity and inclusion. The review concluded in April 2021 and found that the charity had good governance arrangements in place while identifying specific areas where this could be improved. The Board accepted all but two of the recommendations which related to reducing the size of the Board by co-opting members to committees where appropriate. In 2021, the Board focused on improving its effectiveness in the five agreed areas the review recommended: identity and direction (on the charity's future role and strategy), the Board as a team, culture, diversity and inclusion, efficiency of Board time, and the charity's subsidiaries. This work included:

- The launch of a rolling 12-month equality, diversity and inclusion development plan which implements equality monitoring of the Board on an annual basis, equality, diversity and inclusion awareness training and embedding governance oversight of this area into the Board agenda. The Board resumed training on equality, diversity and inclusion in 2022 with its first training session, and it is intended that two further sessions take place over 2022.
- A Board Away Day with an external facilitator to focus on the Board as a team and the charity's identity and direction, in view of the charity's current 2022-2024 strategy and longer-term strategy, as well as a workshop with the executive leadership team on its engagement with the Board.
- Strengthening of the annual trustee appraisal process through a more robust self-assessment and review process.
- Conducting a skills audit, which will be maintained annually, and will inform decisions on trustee appointments.

The implementation plan against all five areas is near complete with remaining work on the Board as a team and Board efficiency due to be complete before the end of 2022.

BOARD ACCOUNTABILITY

Since October 2018, as part of its commitment to transparency, the Board has published summaries of its quarterly meetings on Save the Children UK's website. The Chair updates staff on the Board's quarterly meetings and their outcomes.

As part of the Board's accountability to Save the Children UK's staff, the Staff Liaison Trustee meets with employees whenever an ad hoc meeting is requested. They report back to the Board on staff interests and concerns at its quarterly meetings or in the interim period, depending on the urgency of the matter being discussed.

GLOBAL STANDARDS, REGULATIONS AND CONVENTIONS

As we work for children all over the world, we must ensure that we live up to the standards and regulations that we demand of all actors influencing children's lives. Globally, Save the Children adheres to national and international standards and regulations. We are also committed to supporting the implementation of internationally recognised conventions, including the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, the Geneva Conventions, the United Nations Refugee Convention and the United Nations Convention of the Rights of Persons with Disabilities. In 2021, for example, we supported the Committee on the Rights of the Child's Day of General Discussion, which focused on the provision of alternative care for children who cannot be cared for by their family for whatever reason. We made sure the discussion actively involved children.

We also endorse the Make My Money Matter pledge and the Principles for Digital Development, a set of community-owned standards stewarded by DIAL, the Digital Impact Alliance at the UN Foundation. We are signed up to the UN Global Compact, which aims to mobilise a global movement of sustainable companies and stakeholders to create the world we want. Members of the movement should seek to do this by aligning their strategies and operations with the Ten Principles on human rights, labour, the environment and anti-corruption. It should also take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

OUR COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

At Save the Children UK, accountability is a fundamental principle and a thread that runs through our [2022-24 strategy](#). It is essential for building and maintaining the trust of our stakeholders, ensuring donor confidence and supporting our people to achieve our objectives. Every individual and team has a role to play in ensuring:

1. **Dynamic accountability** – building meaningful relationships with children, supporters, staff and partners to understand their needs and establish and build on shared values.
2. **Strategic accountability** – doing what we say we will do by having the greatest impact for children.
3. **We use resources responsibly and do no harm** – putting safeguarding, financial accountability and environmental responsibility at the heart of our decision-making and governance.

The needs and priorities of children and communities are at the heart of our approach to dynamic accountability. The pillars on which we stand are shared values, a mutual understanding of how our stakeholder relationships work and delivering on our commitments with integrity.

Our 2022-24 strategy calls on us to work closer with children than we ever have done before, listening more intently and further amplifying their voices. We are shifting the power to children, communities and our local partners, in the UK and globally. We will be bolder in speaking out and building the power of children and our allies to do so themselves. Our [Youth Advisory Board](#) helps us hold true to putting children's rights at the heart of everything we do.

We are also developing more strategic, shared-value partnerships to co-create lasting impact, and reinventing our relationships with our supporters, making them more meaningful and long-term.

We strive for the highest level of transparency in our reporting so our supporters can hold us to account. Our annual reports have been highly commended by an independent panel in four of the past six PwC Building Public Trust Awards, which recognise the principles of clarity, openness and authenticity.

Since 2012 we have voluntarily published timely, detailed and comparable information on our programme spend through the [International Aid Transparency Initiative \(IATI\)](#), which is accessible to all our donors and supporters.

Please visit the [accountability page](#) on our website for further details on how we ensure we are accountable to our stakeholders. If you have any feedback on how we can improve our annual report or broader transparency, please contact our [Senior Accountability Manager](#).

STAYING SAFE OVERSEAS DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic had an impact on all Save the Children UK activities in 2021. We mitigated the risks to our staff's health and safety when working overseas by:

- restricting international travel in the first half of the year to 'essential only', and to 'business critical' in the second half
- ensuring personal protective equipment was available where necessary, particularly in clinical settings
- recognising that all international travel still carries a high risk, and requires enhanced pre-deployment medical and psychological checks
- informing staff that COVID-19 restrictions reduce our capability to provide medical evacuations.

STAKEHOLDER ENGAGEMENT: DELIVERING VALUE

We believe that to have the greatest impact for children, today and in the future, we must take account of what is important to our stakeholders. This is best achieved through proactive and effective engagement.

Below are examples of how we engage with our key stakeholders, each of which requires a tailored approach. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group. We can consider their needs and concerns, in accordance with s172 of the Companies Act 2006. This list is not exhaustive.

YOUTH CAMPAIGNERS

We work alongside children to campaign for change. Throughout the year, we engaged with young activists to support their campaigning and understand what matters most to them.

In 2021, we established the new Youth Advisory Board. For more information on how we work closely with them, see page 30.

EXAMPLE ENGAGEMENT OUTCOME

We also relaunched our partnership with the Scouts this year after the pandemic put a host of activities on hold. We delivered engaging and thought-provoking activities to children and young people in Scout groups across the UK, using games and craft activities to help them to better understand the challenges facing refugees and displaced children. At the end of these sessions, we encouraged Scout groups to start discussing and planning how they will take action to support refugees in their communities.

LOCAL PARTNERS

For information on our work with local partners and how we are both engaging with and shifting power to them, please see page 32.

EXAMPLE ENGAGEMENT OUTCOME

We work closely with the Civil Society Legislative Advocacy Centre (CISLAC) in Nigeria. We are supporting CISLAC's work to map and assess the social and legal justice systems in Yobe state, and recommend how these systems can be strengthened and made more accessible, especially at the community level.

CISLAC will also be helping to implement a new state-led social protection programme. The programme will provide financial support to 8,000 households in the Yobe state so they can access food and other essentials. CISLAC will make sure local communities are aware of this support, and that those who most need it can access it.

CHILDREN IN THE UK

A key principle of our work in the UK is 'if it matters to children and families, it matters to us'. When developing our strategy, we draw on insights from the children, parents and carers we support. When we develop community partnerships, and advocate and campaign at a national level, we make sure children's voices and those of their families are heard.

We involve our network of parents with lived experience of poverty in shaping our campaigning priorities. We create opportunities for young people and parents to speak about what matters to them to decision-makers and the media, and support them to do so too.

EXAMPLE ENGAGEMENT OUTCOMES

We invited children from low-income families to tell us what they would find most useful to receive during lockdown. This helped improve the design of our COVID-19 Emergency Grants programme.

We listened to children's experiences of lockdown in the UK and captured this in our [Future of Childhood](#) report. Their insights shaped our response to the pandemic and the report helped us advocate for children to be at the heart of the UK response to the crisis.

CHILDREN OVERSEAS

We engage both directly with children and through their families and communities. The Save the Children movement's international development and humanitarian programmes are managed by Save the Children International. With our support, it engages with children and communities on needs analysis and project design – for example, consulting with those caught up in an emergency to understand how it has affected them, and their priorities for recovery.

With our financial and technical support, Save the Children International follows its Accountability to Children and Communities Procedure, which states that children and communities must:

- have access to timely and relevant information about the organisation, its activities and the behaviour they can expect from staff
- have opportunities to participate in and inform decision-making
- be able to provide feedback and report any concerns they have.

EXAMPLE ENGAGEMENT OUTCOME

In 2021, 85% of the projects we supported made sure that children and communities had access to relevant information, were systematically consulted and could participate in decision-making – in line with the Core Humanitarian Standard on participation.

GOVERNMENT AND MULTILATERAL DONORS, CORPORATE PARTNERS AND PHILANTHROPISTS

We engage with our government and multilateral donors through virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the World Bank annual and spring meetings.

We explore opportunities for collaboration with philanthropists and partners at meetings and group workshops. We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. We regularly seek input through our Vice-Presidents' Programme and Appeal Boards. We also host workshops to explore future opportunities and co-design programmes with our corporate partners.

EXAMPLE ENGAGEMENT OUTCOME

In 2021, we hosted a virtual round table to discuss opportunities to fund some of our education, protection and health programmes. We invited experts and our partners to give insights into proposed results-based finance projects, which may come to constitute a new and different way of funding our programmes.

OUR PEOPLE

We deeply value the expertise and views of our staff. We engage systematically with them so they can shape our strategy, our work and – critically – our culture. It's important that they feel a strong connection with the vision of Save the Children UK, and feel safe, happy and included at work.

Our leadership team regularly engages with our BAME, disabilities, gender, LGBTQI+ Allies and parental staff equalities networks on matters of culture and equality. It consults them about policies and supports their initiatives to improve culture and working practices at Save the Children UK. The networks have been instrumental in informing decision-making and driving change.

EXAMPLE ENGAGEMENT OUTCOMES

This year we continued to host a diverse staff advisory group to bring the voice of employees into organisational change projects. Our executive directors also work with our representative staff sounding-board to learn how decisions may affect staff according to their different needs and circumstances.

In 2021, we conducted four staff-engagement surveys to gather feedback on ways of working at Save the Children UK. Part of what we collected was demographic data to help us understand the ways in which different demographic groups might benefit from, or be disadvantaged by, future organisational decisions.

VOLUNTEERS AND PUBLIC SUPPORTERS

We have a close relationship with our volunteers. We engage with them frequently to ensure they have the support they need for a positive volunteering experience. We also want to understand their opinions so they can help shape our decisions. We have a volunteer website portal, share quarterly newsletters, and conduct an annual volunteer motivation and satisfaction survey.

We engage with our wider public supporters to share information and understand their opinions through quarterly surveys, market research, social listening and the monitoring of supporter calls. What we learn shapes our approach and the content of our communications.

EXAMPLE ENGAGEMENT OUTCOMES

Our volunteers are some of our core supporters. Their feedback informs the regional approach to our supporter engagement strategy. Our 2021 volunteer survey showed 96% of respondents were satisfied with their volunteering experience.

Supporters who completed our 2021 supporter survey responded to the statement 'I feel I am making a meaningful difference' with an average score of 8.3 out of 10, and gave us an 8.6 supporter satisfaction score.

SAVE THE CHILDREN GLOBAL MOVEMENT

We work closely with the rest of the Save the Children movement to help shape global strategic plans. And, in turn, we seek feedback on where we can add most value as a member.

We have two seats on the global Save the Children Board and our Chief Executive is a member of the Management Committee that provides strategic leadership. Functional groups such as the Global Policy, Advocacy and Campaigns Group, the Humanitarian Steering Group and Global Programme Directors help align specific areas of our work across the movement. Save the Children UK is very active in these groups: sharing best practice, learning from others and working together to strengthen the movement.

Our technical experts liaise closely with colleagues across the movement through thematic working groups. They consider new evidence and develop new guidance that is then applied by all members and country offices through Save the Children's 'Common Approaches'.

We engage with our country offices by listening to their views and supporting their Country Strategic Plans, which are based on country needs and priorities. Partnerships and funding opportunities, which are in line with these plans, inform our decision-making.

OUR APPROACH TO PAY AND OVERHEADS

We are serious about being the best we can be for the world's children. Securing the right people to deliver our ambitions is key to our strategy. One of the many ways we do that is through our reward structure. We commit to paying staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives.

We are accredited by the Living Wage Foundation and committed to three key principles for pay:

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

We will pay all staff a living wage of at least £11.05 per hour in London and £9.90 per hour in the rest of the UK, as of 31 March 2022. We tracked the Living Wage Foundation rates in 2021.

Financial constraints continued to restrict our approach to pay management last year. That is why we decided not to apply a workforce-wide pay award, although we did provide some discretionary increases to bring some staff closer to our median pay level.

We continued to top up the government-funded furlough scheme to maintain employee salaries at 100% until the scheme closed in April 2021. We extended special leave provisions for those with caring responsibilities during the second lockdown. And our family leave policies are generous for the sector.

We acknowledge that debates over pay – and executive salaries, in particular – are important and reflect genuine public concerns. We are committed to achieving the right balance between recognising these concerns while ensuring our salary levels help attract the talent we need to run an effective and efficient multinational organisation. The People Committee oversees our pay policy and decides on the salaries of our Chief Executive and executive directors (see page 51).

We publish our approach to pay, including details on our gender pay gap and ethnicity pay gap, in detail on our website. We have also signed the pledge to [Show the Salary](#).

For further details on staff salary and pension costs, please see note 8, page 78 and note 25, page 94, in the financial statements.

EXECUTIVE DIRECTOR REMUNERATION IN 2021

The trustees delegate the day-to-day running of the organisation to the executive directors, who are considered the key management personnel. Compensation for all executive directors employed at Save the Children UK for the year ending 31 December 2021 are detailed here.

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

- Upper quartile (£50,000): 2.9:1 (2.9:1 in 2020)
- Median pay (£42,750): 3.3:1 (3.4:1 in 2020)
- Lower quartile (£35,000): 4.1:1 (4.1:1 in 2020).

Position	Responsibility	Actual gross salary* 2021	Full-time equivalent annual salary	
			2021	2020
Chief Executive Officer Kevin Watkins (to 09/07/2021)	Provides overall leadership to the organisation, working with the board and Executive Leadership Team to shape our goals and ensure that we achieve them. Member of the Management Committee of the global Save the Children Association.	£67,815	£143,000	£143,000
Chief Executive Officer Gwen Hines (from 15/07/2021, took on additional responsibilities from 01/06/2021)		£72,006	£143,000	-
Executive Director of Global Programmes Gwen Hines (to 01/06/2021)	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£54,000	£120,000	£120,000
Interim Executive Director of Global Programmes Adam Berthoud (from 21/06/2021)		£52,948	£105,000	-
Executive Director of Transformation Fiona Clark (to 31/12/2021)	Leads the delivery of our organisational strategy and our change programmes. Also supervises our technology, risk and legal teams.	£109,250	£127,778	£127,778
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy, campaigning and media work, encouraging decision-makers in the UK and around the world to deliver for children.	£113,000	£115,000	£112,000
Chief Financial Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children.	£115,000	£115,000	£115,000
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£109,250	£115,000	£115,000
Executive Director of People Pria Rai (from 25/03/2021)	Responsible for the recruitment, support and development of our team of 877 staff, and for initiatives to improve our people management capabilities and employee experience.	£92,308	£120,000	-

* Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of voluntary pay reductions taken for part of the reporting period following the onset of the pandemic, part-time hours and individuals joining / leaving Save the Children. In addition to the gross salary, £242,493 was paid for employer's national insurance, pension contributions, life insurance, redundancy, payment in lieu of notice and paid annual leave in respect of the above individuals. From 2020 we have included salaries of both interim executives and staff acting up into the role of executive director.

INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2021, as part of our policies governance mechanism, we reviewed and updated 25 internal policies, including our Safeguarding Policy and Code of Conduct. We rolled out a suite of new health and safety policies and launched our environmental sustainability and climate change policy (you can read more about what we're doing to tackle the effects of the climate crisis on page 26). We worked closely with our staff LGBTQI+ Allies network to develop a new trans inclusion policy.

Many of our policies – including on safeguarding, donations acceptance and refusal, and open information – are published on our website. You can find out more about our organisation's policies on the accountability page of our website.

MODERN SLAVERY STATEMENT

Over the course of 2021 we have continued to respond to the requirements of the Modern Slavery Act, including maintaining, augmenting and publishing key policies; continuing to include modern slavery clauses in the contracts we make with other organisations to hold them to account; and testing and identifying areas in the charity's direct supply chain where there may be the risk of forced labour, human trafficking or other forms of modern slavery.

The charity is using funds and skills to work closely with Save the Children International primarily to identify, resolve and eliminate any modern slavery in the supply chain for the international work undertaken by Save the Children International. The charity has no cases of modern slavery to report in its supply chain during 2021. A spending freeze put in place by the charity in response to the COVID-19 situation, which has been in place since 2020, provides additional assurance that any new modern slavery risk in our supply chain would be unlikely to arise. The charity continues to publish its modern slavery statement on its website. For more information, see the Modern Slavery Statement on our website.

GENDER PAY GAP STATEMENT

Save the Children UK is committed to achieving gender equity in pay. Our values as an organisation demand women and men are equally rewarded in relation to their contribution, taking account of knowledge, skills and expertise. Through our programme, policy and campaigning work, we strive to support gender equity around the world. We are working towards ensuring that our organisation reflects the commitment to equity we demand of others.

Please see our latest [Gender Pay Gap report](#) for more information.

OUR GENDER PAY GAP IN 2021

In 2021, our staff was 73% female and 27% male. We saw a decrease in our gender pay gap, meaning while men are paid on average more than women, the extent of this has reduced.

- Our median gender pay gap as of 5 April 2021 was 5.0% (5.58% in 2019) – an improvement of 0.585 percentage points.
- Our mean gender pay gap as of 5 April 2021 was 7.61% (9.05% in 2020).
- The UK's overall national gender pay gap in 2021, as reported by the Office for National Statistics (ONS), was 15.4%, but 7.9% for full-time employees.
- We also benchmark our pay gaps against similar third sector organisations. A review of voluntary organisations in 2021 by XpertHR reports the typical mean pay gap to be 7.7%, almost exactly in line with our progress to date.

We are committed to removing the barriers that lead to our gender pay gap. We will always show a zero percentage for bonus payments, as we do not operate a bonus pay scheme.

For more information on our gender pay gap, please see the full 2021 Diversity and Inclusion report on our website.

ETHNICITY PAY GAP

We published our [Ethnicity Data and Pay Gap](#) report for the first time in October 2020. We're now committed to publishing our data every year, and to closing the gap.

- Our median ethnicity pay gap as of 5 April 2021 was 5.28%, a regression of 3.26 percentage points compared with 2020.
- Our mean ethnicity pay gap as of 5 April 2021 was 3.50%, an improvement of 0.88 percentage points.
- According to the ONS, the UK's overall national ethnicity pay gap in 2019 was 2.3%. But it recognised that pay gaps differ widely depending on the age and location of the employee. In London, it reported a 23.8% ethnicity pay gap.

The pay gap is partly the result of the underrepresentation of BAME staff, particularly among Save the Children UK's senior leadership teams. We have met our goal to make sure more than 25% of our Executive Leadership Team are made up of BAME staff, but we still need to increase BAME representation in our Corporate Senior Leadership Team.

The proportion of BAME staff at Save the Children UK is lower than the proportion of BAME people in London as a whole, where most of our staff live. These low numbers mean the pay gap is sensitive to leavers and new starters.

We also break down our ethnic pay gap data by different ethnic groups, and according to various 'intersections' where identities such as gender and ethnicity overlap.

At this more granular level we have seen decreases in the pay gap across each of our ethnic groups. The mean gap for Black staff, for example, fell from 8.53% in June 2020 to 7.23% in April 2021. The significant gap between Black women and White men has also narrowed over the same period – from 23% to 18.6%, showing a clear downward trajectory.

The reduction in pay gaps can be attributed largely to the changes in our approach to recruitment. For example, managers responsible for recruitment are making sure salary offers are equitable.

But while the gap remains there is more to do. This year we established an equal pay working group to examine and decrease our gender and ethnicity pay gaps.

For more on how we're working to make Save the Children UK a more equitable organisation, please see our [Diversity and Inclusion web page](#).

SAFEGUARDING

We remain committed to upholding the highest standards of safeguarding, tailoring our measures to reflect the environments in which we work. We are committed to safeguarding staff, the adults we work with and volunteers, while keeping the safeguarding of children our priority.

In 2021, building on our commitment to safeguarding all those we work with and encounter, we:

- robustly responded to existing and emerging safeguarding risks and issues, including COVID-19-specific safeguarding risks
- provided advice to other organisations to support and improve their emerging safeguarding frameworks
- completed the process of creating one overarching organisational Safeguarding Policy. An interim Safeguarding Strategy has also been developed to support the implementation of a 'whole-of-organisation' approach to safeguarding
- worked with other Save the Children members around the world to strengthen information sharing, safeguarding reporting and investigation best practice
- implemented safer staff recruitment and onboarding practices
- participated in a safeguarding review carried out by an independent safeguarding provider. The implementation of recommendations is ongoing

- initiated an external review of Save the Children UK reporting and response procedures to ensure that victims, survivors and witnesses of safeguarding concerns have accessible, safe and sensitive reporting channels, and receive adequate support.

For more information on our safeguarding activities, please see our Annual Trustee Risk Statement on page 44.

SAFEGUARDING INCIDENT REPORT 2021

Save the Children UK recognises the courage of survivors and victims of abuse in coming forward to report it. We thank all those who have helped us protect children and vulnerable people in the UK and abroad by reporting their concerns.

The safeguarding of children, adults in their communities, staff, volunteers, and anyone else who encounters our work is a top priority for the organisation.

Over the course of 2021, a total of 22 safeguarding concerns were reported to our Safeguarding team relating to our UK work. These were categorised as per our safeguarding policies and are broken down in the table below. Where appropriate, disciplinary action was taken, and referrals were made to statutory agencies. The majority of these concerns relate to the welfare and conduct of our adult volunteers in the UK.

In 2021, we received no safeguarding reports related to children or adults that we directly work with in the UK; the lack of reports is concerning and an area of focus for 2022. Safeguarding reports related to our UK-funded work overseas are captured separately in our Save the Children International Trustees' Report. We work closely with Save the Children International to ensure rigorous safeguarding systems are in place everywhere we work.

The table below provides a breakdown of the 22 safeguarding reports we received in 2021 according to various categories, and shows the reports we received in 2020 and 2019.

Category	2021	2020	2019
Staff conduct	2	7	1
Volunteer conduct	5	0	6
Welfare of children in the UK involved in Save the Children UK programme	0	0	16
Welfare of vulnerable people (adults) in the UK involved in Save the Children UK operations, including fundraising	1	4	4
Welfare of our staff and volunteers	14	10	1
Total	22	21	28

We take all safeguarding reports seriously and investigate all allegations of abuse in accordance with our procedures. We are committed to taking a clear survivor-centred approach and offer support routinely to those affected.

Of the 22 reports received in 2021 related to our work in the UK:

- 15 reports did not meet the threshold for a safeguarding investigation (for example, on initial fact-finding, it was found that they did not relate to our work). Save the Children UK operates a 'no wrong door' approach, which means that we ensure reports are shared with the appropriate agency, even when they do not relate to our work. For example, in these cases, the Safeguarding team offered survivor support, signposted to specialist services, and recommended mitigations to reduce the risk of potential harm or further harm.
- Seven reports met the threshold for a safeguarding investigation. Of these, four investigations concluded that the concern was substantiated, and appropriate action was taken in accordance with our Volunteer Policy. Two investigations concluded that the concern was not substantiated, and one investigation is ongoing.

INTERNATIONAL PROGRAMMING

Our international programmes are delivered through Save the Children International. We work together to ensure the most rigorous safeguarding practices are in place. Save the Children International reports total safeguarding figures associated with international programmes in its trustees' report.

FUNDRAISING COMPLIANCE

We comply with all relevant statutory regulations, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003 and the Telephone Preference Service. We strive for best practice in fundraising by complying with a range of codes of practice and standards. This includes being a member of the Institute of Fundraising and being registered with the Fundraising Regulator and adhering to its Code of Fundraising Practice, Fundraising Promise and Fundraising Preference Service. Our Whistleblowing Policy covers how staff, volunteers or those representing Save the Children can report a fundraising concern about any of our fundraising activities.

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

DONATION ACCEPTANCE AND REFUSAL

We are committed to making decisions that are in the best interests of the charity and, ultimately, children. Our Donation Acceptance and Refusal policy ensures that we do not compromise on our mission and values when it comes to raising income. The policy is reviewed every two years and was last reviewed in 2020. The Donation Acceptance Committee considers potential high-risk donations to Save the Children UK (see page 51). In 2021 it turned down one opportunity because of concern the nutritional value of some of the potential donor's products conflicts with our work and values.

TREATING SUPPORTERS FAIRLY

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

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages 'professional fundraisers' (agencies) to undertake fundraising on our behalf through telephone fundraising. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising undertaken on our behalf is of the highest standard, is compliant with all relevant regulation and embodies Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of call monitoring, contract monitoring, regular meetings and training fundraisers on our expectations. We report our findings to our Audit Committee on a regular basis.

We also work with corporate partners who sell goods and donate a proportion of the proceeds to us. In 2021, this included:

- [WOLF](#), which raised funds for Save the Children UK through its online platform and on its gaming app, raising £55,000
- Penguin, which donated 10% of the recommended price of the children's book *Peppa's Muddy Puddle Walk*, published by Ladybird
- [Wonderbly](#), which gave £1 or \$1 from each sale of its new personalised children's books *First Christmas for You* and *Christmas for You* to our Protect the Magic campaign, raising £10,000
- Kate Moss Studio, which donated £5 from the sale of each t-shirt and hoodie sold in its Butterfly Collection.

RAISING A CONCERN OR MAKING A COMPLAINT

We know there are times when we do not meet the high standards we set ourselves as an organisation. When this happens, we ensure the problem is investigated and steps are taken to prevent it happening again.

We are continuously improving our fundraising and marketing practices, ensuring our supporters are at the heart of decisions about our fundraising. Nevertheless, we do receive complaints.

We classify a 'complaint' as an expression of dissatisfaction in a specific aspect of our activities, addressed directly to us via email, letter, telephone or instant-messaging services.

In 2021 our supporter-facing teams received 269 public complaints. This is a 29% decrease from 2020 (380). The majority of these complaints related to administrative errors when processing fundraising donations (136). In almost every instance, these errors were quickly remedied and donors were satisfied with our swift response. Nevertheless, sustained efforts are being made to improve the procedures and systems used to process donations.

No complaints were investigated by the Fundraising Regulator.

Save the Children UK will continue to take a principled stand on important issues affecting children, which may generate complaints when the issues are complex and controversial. Complaint rates about our work will therefore inevitably vary from year to year. It is vital we engage and build understanding with people who disagree with us.

The below graphic provides a breakdown of complaints by thematic area.

Breakdown of public complaints received in 2021	
Fundraising (gift administration)	136
Fundraising (methodology and solicitation)	73
Governance, strategy and policy	22
Trading	14
Advocacy and campaigns	22
Our work	2
Total complaints	269

Save the Children UK reports annually on fundraising complaints to the Fundraising Regulator. As well as adhering to the Regulator's complaints-reporting guidelines, Save the Children UK is committed to fair, honest and open fundraising practice. For further details on our complaints procedure, please see our website.

SAVE THE CHILDREN IN SCOTLAND

The Office of the Scottish Charities Regulator requires us to report separately on our activities in Scotland. Save the Children's activities during 2021 addressed issues faced by children in Scotland, as well contributing to the global aims of Save the Children.

SUPPORTING FAMILIES

Our Families Connect programme helps parents play with their children, aged three to six, in a way that boosts their children's learning and accelerates their social and emotional development.

With support from the Scottish government, we trained 87 facilitators across 18 local authorities and supported 37 schools and nurseries to deliver the programme.

We brought Families Connect facilitators together in a new network to share practice, and understand what works well and what could be improved in delivering the programme. And we piloted a new approach to improve parental engagement – working with a whole school or nursery, instead of running Families Connect one class at a time.

In partnership with Play Scotland, with funding from the Scottish government, and support from the STV Children's Appeal and the Beano, we helped children play and reconnect after lockdown. As part of this 'Get into Summer' programme, we developed and distributed 46,000 outdoor play packs. We also provided a thousand 'Play Well' outdoor activity bags to ensure children and families had the toys, games – and ideas – they needed to participate in and enjoy outdoor play.

We helped families with young children cope with financial pressures and challenges. We gave them support grants worth up to £340 so they could pay for food and other household essentials, children's clothes, and toys. In 2021, we supported 721 families and 1,415 children – 67% of whom are on Universal Credit.

CHALLENGING POVERTY

We worked with families in Scotland to ensure their voices and experiences were at the centre of challenging poverty. They helped us campaign for every family's right to have an adequate and reliable income.

As part of the End Child Poverty Campaign, we helped persuade the Scottish government to double the Scottish Child Payment to £20 per week from April 2022. This will provide much-needed extra income for hundreds of thousands of children and their families across Scotland. It is a great step forward towards a sustainable reduction in child poverty.

In a significant piece of research, [Dropped into a Cave](#), we shared the voices and experiences of parents living on low incomes during the COVID-19 pandemic. Parents told us

how the crisis caused or increased their financial difficulties, and how the loss of face-to-face support and informal social networks was as significant as their money worries.

The report set out the key actions needed to protect family incomes and ensure all families can access holistic practical, emotional and financial support. It helped us to engage effectively and powerfully with the newly elected Scottish Parliament.

We worked with parents to understand and share their views on the actions needed to tackle child poverty. We then sent a report to the Scottish government, to help shape its priorities for the forthcoming Child Poverty Delivery Plan 2022-26. This research will be a key pillar of future engagement with the Scottish government, and our own policy development and advocacy work in 2022.

SUPPORTING COMMUNITIES

We supported children and families to shape the support, services and spaces that improve their communities, through Children's Places – a community-engagement programme we developed in partnership with the STV Children's Appeal. In an excellent example of community-driven change, we supported a community group in Glenburn, Renfrewshire, to open a new play park. The group secured funding from Renfrewshire Council.

In South Lanarkshire, we helped a community group consult with children on a new sensory garden in the local park. The children's feedback informed the garden's design, including a rainbow pathway, musical instruments and an orchard.

FUNDRAISING TO DELIVER OUR WORK

We're grateful to a wide range of funders who made our work in Scotland possible during 2021. This includes the Scottish government, the STV Children's Appeal and individual donors. We also benefitted from partnerships with the likes of wilko, Morgan Stanley and GSK, who support our work across the UK. Our six-year partnership with Hearts Football Club came to an end this year.

OUR GLOBAL ROLE

In 2021, we worked with the Disasters and Emergency Committee Scotland to launch the crisis appeal for Afghanistan. We also worked closely with the Scottish media to raise awareness of global emergencies, such as the conflict in Yemen and the emergency in Afghanistan. And we continued to be an active member of the Scottish government's Humanitarian Emergencies Fund panel.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4-62 was approved by the Board of Trustees on 24th August 2022.



Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK
26th August 2022

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

OPINION

We have audited the financial statements of the Save the Children Fund ("the charitable company") for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

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

GOING CONCERN

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

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and

analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

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

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, legacy income, and charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate

accounting entries, and the risk of bias in accounting estimates and judgments such as pension assumptions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or other unexpected individuals and those posted to unusual accounts combinations;
- Using data analytics procedures to test donations income by identifying unusual postings for additional investigation;
- Agreeing a sample of legacy income transactions back to relevant legal documents; and
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy
- Assessing significant accounting estimates, such as pension assumptions, for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health

and safety, anti-bribery, employment law, and certain aspects of company and charity legislation, recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

OTHER INFORMATION

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

We have nothing to report in these respects.

TRUSTEES' RESPONSIBILITIES

As explained more fully in their statement set out on page 66, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Lynton Richmond (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

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

15 Canada Square, London E14 5GL

30th August 2022

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

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

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

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

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2021 £000	Total funds year to 31/12/2020 £000
Income and endowments from:					
Donations and legacies	2	65,235	19,177	84,412	88,443
Charitable activities	3	-	144,994	144,994	188,924
Other trading activities	4	7,064	-	7,064	6,585
Investments	5	496	-	496	760
Other	6	3,341	102	3,443	4,018
Total income		76,136	164,273	240,409	288,730
Expenditure on:					
Raising funds					
Raising donations and legacies	7	21,917	1,363	23,280	20,655
Other trading activities	7	7,490	21	7,511	7,833
Investment management costs	7	145	-	145	93
Total raising funds		29,552	1,384	30,936	28,581
Charitable activities					
Nutrition	7	3,062	14,682	17,744	20,188
Livelihoods	7	3,826	19,386	23,212	37,604
Health	7	5,034	26,242	31,276	42,501
Protection and rights	7	1,591	8,752	10,343	11,150
Education	7	7,902	37,331	45,233	43,654
Rapid onset emergencies	7	13,224	51,192	64,416	85,725
Advocacy and awareness	7	7,115	3,216	10,331	11,296
Total charitable activities		41,754	160,801	202,555	252,118
Other	7	2,430	7	2,437	2,462
Total expenditure		73,736	162,192	235,928	283,161
Net gains on investments	13	2,207	634	2,841	998
Movement on share of associate's surplus	14	83	-	83	24
Net income		4,690	2,715	7,405	6,591
Transfers between funds	21	(342)	342	-	-
Actuarial loss on defined benefit pension scheme	25	(1,544)	-	(1,544)	(5,829)
Net movement in funds		2,804	3,057	5,861	762
Fund balances brought forward		42,139	16,477	58,616	57,854
Fund balances carried forward	21	44,943	19,534	64,477	58,616

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

The restricted fund balances carried forward include £5,499,000 (2020: £4,865,000), which relates to endowment funds.

There were no new endowments in the year and there were gains in the funds in the current year of £634,000 (2020: £203,000).

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

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2021

	Notes	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
Fixed assets					
Intangible assets	11	404	888	404	888
Tangible assets	12	1,607	1,894	1,607	1,894
Investments	13	40,773	37,932	41,048	38,207
Associates	14b	674	591	-	-
		43,458	41,305	43,059	40,989
Current assets					
Stocks	15	472	1,395	373	1,282
Grant debtors	16a	18,582	24,968	18,065	21,906
Other debtors	16b	27,941	36,694	27,531	36,413
Short-term deposits		39,970	23,872	39,970	23,872
Cash at bank and in hand		4,030	20,544	3,868	20,278
		90,995	107,473	89,807	103,751
Creditors: amounts falling due within one year	17a	(62,277)	(78,650)	(64,366)	(78,731)
Net current assets		28,718	28,823	25,441	25,020
Total assets less current liabilities		72,176	70,128	68,500	66,009
Creditors: amounts falling due after more than one year	17b	(1,028)	(1,207)	(1,028)	(1,207)
Provisions for liabilities	18	(6,551)	(7,548)	(6,461)	(6,728)
Net assets excluding pension liability		64,597	61,373	61,011	58,074
Defined benefit pension scheme liability	25	(120)	(2,757)	(120)	(2,757)
Total net assets		64,477	58,616	60,891	55,317
Unrestricted funds					
General reserve	21	33,122	34,143	33,122	34,148
Revaluation reserve	21	5,882	4,350	5,882	4,350
Designated funds	21	6,059	6,403	2,904	3,621
Total unrestricted funds excluding pension reserve		45,063	44,896	41,908	42,119
Pension reserve	25	(120)	(2,757)	(120)	(2,757)
Total unrestricted funds		44,943	42,139	41,788	39,362
All restricted and endowed funds					
Restricted income funds	22	14,035	11,612	13,604	11,090
Endowment funds	23	5,499	4,865	5,499	4,865
Total restricted funds		19,534	16,477	19,103	15,955
Total funds		64,477	58,616	60,891	55,317

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

The financial statements on pages 67 to 101 were approved by the Board of Trustees on 24th August 2022 and signed on their behalf by the Chair and Honorary Treasurer on 26th August 2022.



Dr Tsitsi Chawatama-Kwambana – Chair



Richard Winter CBE – Honorary Treasurer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Net cash flows from operating activities	(a)	(614)	(5,228)
Cash flows from investing activities			
Bank interest received	5	15	209
Dividends received	5	481	551
Purchase of tangible fixed assets	12	(215)	(51)
Purchase of investments	13	(4,106)	(9,321)
Proceeds from sale of investments	13	4,897	8,524
Net cash movement in investments	13	(791)	106
Investment in associate	14b	(83)	(24)
Net cash used in investing activities		198	(6)
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	(416)	(5,234)
Cash and cash equivalents at the beginning of the year		44,416	49,650
Cash and cash equivalents at the end of the year		44,000	44,416

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

		Year to 31/12/2021 £000	Year to 31/12/2020 £000
NOTES TO THE CASH FLOW STATEMENT			
(a) Reconciliation of net income to net cash flow from operating activities			
Net income		7,405	6,591
Investment income		(496)	(760)
Gains on investments		(2,841)	(998)
Adjustment for pension funding		183	242
Payments to defined benefit pension scheme		(4,364)	(3,939)
Net loss on disposal of fixed assets		20	8
Depreciation charge		482	582
Amortisation charge		315	765
Impairment charge		169	-
Decrease/(increase) in stocks		923	(127)
Decrease/(increase) in debtors		15,139	(7,290)
(Decrease)/increase in creditors falling due within one year		(16,373)	2,796
Decrease in creditors falling due in more than one year		(179)	(1,948)
Decrease in provisions		(997)	(1,150)
Net cash flows from operating activities		(614)	(5,228)
(b) Analysis of cash and cash equivalents			
	At 01/01/2021 £000	Cash flow £000	At 31/12/2021 £000
Cash at bank and in hand	20,544	(16,514)	4,030
Short-term deposits	23,872	16,098	39,970
	44,416	(416)	44,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

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

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

The group meets the definition of a public benefit entity under FRS 102. See page 52 for further details. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

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

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

Save the Children International (SCI) carries out international programming on behalf of Save the Children UK (SCUK) and other movement members. The investment in SCI is classified as a programme related investment as this investment is made

directly in pursuit of SCUK's charitable purposes. Grants provided by SCUK to SCI are considered to be a part of the costs of activities in furtherance of the objects of the charity and are accounted for in accordance with the grants made to external parties. This is because of the significance of the charity's programme activity outside of the UK carried out through SCI and the nature of the programme operating model. The amounts recognised in relation to SCI are disclosed in the relevant notes to the financial statements.

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

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

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

(B) COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 49. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(C) FUND ACCOUNTING

General funds

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

Designated funds

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

Pension reserve

Unrestricted funds include a pension reserve adjustment to match the pension deficit, in line with FRS 102 section 28: Employee Benefits.

Restricted funds

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

1. ACCOUNTING POLICIES (CONTINUED)

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

Endowment funds

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

Investment income and gains are allocated to the appropriate fund.

(D) INCOME

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

Donations and legacies

Donations

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

Legacies

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

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

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

Gifts in kind

Gifts for onward distribution

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

Gifts for resale

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

Donated facilities and support

Gifts in kind also include campaigning and fundraising goods and services, all recognised when received or performed. These have been valued by officers of Save the Children UK either at market value or, where a market value is not available, based on appropriate estimates.

Volunteers

Our volunteers play a vital role in the activities of the charity, including in our network of shops and as community

fundraisers and ambassadors. However in accordance with the SORP, no monetary value has been attributed to their contribution and been included in these accounts.

Income from charitable activities

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

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

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

Other trading activities

Other trading activities includes retail income from the sale of new and donated goods through shops, branches and online. Where applicable, income is recognised net of value added tax.

Lottery income is proceeds from lotteries held by the People's Postcode Lottery (PPL). SCUK has no ability to alter the price of the tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as principal. Net proceeds due to SCUK are recognised under other trading activities in the statement of financial activities and analysed in note 4b. From 2021 the way we receive funding from PPL has changed. Instead of receiving lottery proceeds, funding is received as a grant and therefore is recognised as donation income within major donors and trusts in note 2a.

(E) EXPENDITURE

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

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

Expenditure on charitable activities includes grants payable and costs incurred directly by Save the Children UK in the furtherance of its charitable objectives, along with associated

1. ACCOUNTING POLICIES (CONTINUED)

support costs. Grants payable to partner organisations such as Save the Children International are considered to be part of the costs of activities in furtherance of the objects of the charity. This is because much of the charity's programme activity is carried out through grants to local organisations that support long-term sustainable benefits for children, which are monitored by the charity. Grants are also made to fund immediate emergency relief provision in times of crisis, catastrophe or natural disaster.

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

(F) TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

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

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

(G) INTANGIBLE FIXED ASSETS AND AMORTISATION

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

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years.

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

(H) INVESTMENTS

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

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

(I) STOCKS

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

(J) PENSION COSTS

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

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

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

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

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan, which in most respects a money purchase arrangement, but has some guarantees. This scheme has been treated as a multi-employer

1. ACCOUNTING POLICIES (CONTINUED)

scheme as it is not possible to separately identify the assets and liabilities of participating employees. The growth plan is accounted for as a defined contribution scheme and a liability is recognised on the balance sheet in respect of the committed contributions.

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

(K) FINANCE AND OPERATING LEASES

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

(L) FOREIGN CURRENCIES

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date into the accounts presentational and functional currency, which is GBP. Income and expenditure transactions incurred in foreign currencies have been translated during the course of the year at the rate of exchange ruling at the time of the transaction. Appropriate action is taken to mitigate foreign exchange risk. Save the Children UK does not enter into foreign exchange contracts for speculative purposes.

(M) PROVISIONS

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

(N) TAXATION

The charities in the Group are exempt from UK taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that the income and gains are applied to their charitable purposes. No corporation tax charges arose for the group charities during the year (2020: Nil).

The non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Save the Children UK by way of Gift Aid, no liabilities arose (2020: Nil).

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

(O) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

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

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

Revenue recognition

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

Pension liability

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages, mortality rates, and the calculation of pension increases. The group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability of changes in these assumptions. The group engages other professional advisors where appropriate.

Provisions

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

Cost allocation

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £000	Restricted funds £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000
(a) Donations and gifts				
Individuals – regular giving	32,509	697	33,206	33,714
Individuals – one-off donations, appeals and events	9,572	3,258	12,830	14,360
Trusts and major donors	2,901	5,807	8,708	7,164
Corporate fundraising	1,159	1,368	2,527	4,901
Institutional donors	–	3,912	3,912	7,731
	46,141	15,042	61,183	67,870
(b) Gifts in kind by type				
Gifts in kind for distribution	–	2,921	2,921	2,929
Headquarters professional services	–	617	617	289
Fundraising	–	312	312	27
	–	3,850	3,850	3,245
(c) Legacies				
Legacies ¹	19,094	285	19,379	17,328
Total donations and legacies	65,235	19,177	84,412	88,443

¹ The estimated amount of legacies for which the charity has received notice of entitlement, but which has not been accrued, whether because probate has not yet been obtained, or on grounds of insufficient probability, was £3 million (2020: £3.3 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2021 restricted £000	Year to 31/12/2020 restricted £000
Performance-related grants		
UK central government	38,586	62,858
Irish government	5,287	3,291
Other national governments	12,470	10,507
UK local and regional government	840	753
European Commission (including European Community Humanitarian Aid Office)	8,878	8,772
Disasters Emergency Committee	4,621	4,547
Education Cannot Wait	8,393	12,992
United Nations	22,851	34,567
World Bank	15,816	3,263
Total government and multilateral organisations	117,742	141,550
Comic Relief	490	486
Bill & Melinda Gates Foundation	2,895	2,554
Corporate partners	12,892	17,200
Trusts	3,934	19,989
Other	7,041	7,145
Total income from charitable activities	144,994	188,924

Corporate partners includes £2,660,000 from IKEA Foundation for Start Network.

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	Total year to 31/12/2021 £000	Total year to 31/12/2020 £000
Retail income (see note 4a)	7,064	-	7,064	3,992
Lottery income (see note 4b)	-	-	-	2,593
Total trading income	7,064	-	7,064	6,585

(a) Retail income and costs	Charity £000	Save the Children (Sales) Ltd £000	Total year to 31/12/2021 £000	Total year to 31/12/2020 £000
Retail income	6,634	430	7,064	3,992
Cost of sales	-	(206)	(206)	(181)
Direct expenses	(7,085)	(234)	(7,319)	(7,681)
Total expenses	(7,085)	(440)	(7,525)	(7,862)
Deficit	(451)	(10)	(461)	(3,870)

Additional net income was raised in relation to shops which is recognised elsewhere and includes £418,000 (2020: £463,000) of donations raised in shops, and £20,000 (2020: £20,000) of property income, totalling £438,000 (2020: £483,000). Our 2021 retail income includes £1,582,000 (2020: £905,000) received from UK government and devolved nations COVID-19 support scheme grants.

(b) Lottery income

The funding from the People's Postcode Lottery (PPL) changed in 2021 and has therefore been recognised as donation income in the current year. Income recognised within donations from PPL in 2021 is £2.6 million. During 2020 Save the Children UK received net proceeds of lotteries held by the People's Postcode Lottery. As noted in the accounting policy in note 1d, the net proceeds are recognised as income, which are determined as follows:

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Ticket value	-	8,104
Prize fund	-	(3,237)
Management fee	-	(2,274)
Net proceeds	-	2,593

5. INVESTMENT INCOME

	Year to 31/12/2021 unrestricted £000	Year to 31/12/2020 unrestricted £000
Dividends on investments listed on a recognised stock exchange	481	551
Interest on bank deposits and other investments	15	209
	496	760

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Rental income	2,410	-	2,410	2,214
Other income	931	102	1,033	1,804
	3,341	102	3,443	4,018

7. EXPENDITURE

(a) Expenditure on raising funds	Activities undertaken directly				Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000
	Grant funding of activities (note 7b) £000	Staff costs (note 8) £000	Other direct costs £000	Gifts in kind £000				
Expenditure on raising donations and legacies (note 7d)	37	9,944	8,906	1,053	3,340	-	23,280	20,655
Expenditure on other trading activities	-	2,407	4,344	-	760	-	7,511	7,833
Investment management costs	-	-	134	-	11	-	145	93
	37	12,351	13,384	1,053	4,111	-	30,936	28,581
Charitable activities								
Nutrition	13,256	295	133	1,285	1,265	1,510	17,744	20,188
Livelihoods	18,631	623	324	-	1,678	1,956	23,212	37,604
Health	24,761	634	448	527	2,242	2,664	31,276	42,501
Protection and rights	8,283	172	194	84	738	872	10,343	11,150
Education	34,646	1,928	1,449	69	3,335	3,806	45,233	43,654
Rapid onset emergencies	38,636	8,191	8,386	96	4,434	4,673	64,416	85,725
	138,213	11,843	10,934	2,061	13,692	15,481	192,224	240,822
Advocacy and awareness (note 7c)	588	5,153	1,967	-	1,853	770	10,331	11,296
Total charitable activities	138,801	16,996	12,901	2,061	15,545	16,251	202,555	252,118
Support costs	573	17,214	17,690	589	(19,815)	(16,251)	-	-
Other expenditure ¹	-	-	2,278	-	159	-	2,437	2,462
Total expenditure	139,411	46,561	46,253	3,703	-	-	235,928	283,161
Prior year	187,776	47,674	44,517	3,194	-	-	283,161	

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

(b) Grant funding of activities

During the year ended 31 December 2021, Save the Children UK made grants to partner organisations carrying out work to help children. A list of grants is made available at <https://www.savethechildren.org.uk/content/dam/global/reports/2021-grant-list.pdf>.

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

These have several objectives, including:

- informing our supporters and the wider public about the reality of children's lives throughout the world, based on our experience in many countries
- influencing key decision-makers on social and economic policies affecting children, drawing evidence for our advocacy and campaigning work directly from our global programmes
- educating children and young people in the UK by bringing global perspectives to the curriculum and promoting the UN Convention on the Rights of the Child.

The trustees see these initiatives as activities that further our charitable purposes and enable us to deliver change through mobilising millions of people around the world to show they care, and demand others fulfil their responsibilities.

7. EXPENDITURE (CONTINUED)

(d) Costs of raising donations and legacies

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Mass fundraising (including legacies)	19,403	17,172
Trusts and major donors	1,303	1,384
Corporate fundraising	2,574	2,099
	23,280	20,655

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

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

		Year to 31/12/2021 £000	Year to 31/12/2020 £000
Management and administration costs	Basis of apportionment		
General management	Pro-rata by expenditure	2,223	2,806
Governance	Pro-rata by expenditure	1,317	1,076
Human resources	Pro-rata by salary costs	2,614	2,884
Financial management	Pro-rata by expenditure	2,953	3,000
Premises and facilities	Pro-rata by building usage	3,893	3,306
Technology	Pro-rata by expenditure	6,080	6,056
Gifts in kind (pro-bono professional services)	Pro-rata by expenditure	589	206
Losses/(gains) on foreign exchange	Pro-rata by expenditure	142	(191)
Defined benefit pension scheme costs ¹	Pro-rata by expenditure	4	22
		19,815	19,165
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	3,094	3,114
Programme support	Pro-rata by charitable expenditure	6,682	6,306
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	3,606	4,703
		13,382	14,123
Additional contributions			
Contribution to growth of other Save the Children members	Pro-rata by charitable expenditure	250	628
SCI strategic investment funding	Pro-rata by charitable expenditure	2,619	2,750
		2,869	3,378
Total programme support		16,251	17,501
Total support costs		36,066	36,666
Financed by unrestricted funds		27,861	25,702
Charged to restricted awards		1,493	1,240
Indirect cost recovery ²		6,712	9,724
		36,066	36,666

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

² Indirect cost recoveries are the contributions received from donors for the overhead costs of running our programming activities.

7. EXPENDITURE (CONTINUED)

(f) Total resources expended include the following amounts:

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Group auditor's remuneration		
Audit of charity	143	134
Audit of subsidiaries	43	34
Total audit	186	168
Audit related assurance services	2	2
Total assurance services	2	2
Other non-audit services	-	-
Total non-audit services	-	-
Total fees	188	170

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Lease rentals: land and buildings		
Retail	2,376	2,373
Programme offices	168	213
Headquarters	4,505	3,946
	7,049	6,532

Ex-gratia payments

There were no ex-gratia payments made in the reporting period (2020: nil).

8. STAFF COSTS

(a)	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Wages and salaries	38,035	38,883
National Insurance	4,204	4,241
Pension costs defined contribution scheme	2,117	2,154
Pension costs defined benefit scheme	179	220
Other staff costs	2,026	2,176
	46,561	47,674

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

Included within staff costs is £376,240 (2020: £269,685) of termination costs.

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

	Average headcount		Average FTE headcount	
	Year to 31/12/2021 number	Year to 31/12/2020 number	Year to 31/12/2021 number	Year to 31/12/2020 number
Charitable activities	607	636	588	619
Raising funds	297	289	292	283
	904	925	880	902

8. STAFF COSTS (CONTINUED)

(c) At 31 December 2021, the number of staff was as follows:

	Headcount ¹ number	Headcount equivalent ² number
UK HQ	703	686
UK non-HQ	161	154
International	13	13
	877	853

¹ Headcount is defined as the number of roles filled by employees.

² Headcount equivalent is defined as headcount adjusted to take into account hours worked, where employees do not work on a full-time basis.

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

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

	Year to 31/12/2021 number	Year to 31/12/2020 number
£60,001-£70,000	34	40
£70,001-£80,000	13	15
£80,001-£90,000	5	7
£90,001-£100,000	3	1
£100,001-£110,000	1	2
£110,001-£120,000	2	2
£120,001-£130,000	2	1
£130,001-£140,000	-	1
£170,001-£180,000 ¹	1	-
	61	69

¹ Salary costs include redundancy payments for a member of staff leaving Save the Children.

(e) 2021 Executive Director remuneration

The trustees delegate the day-to-day running of the organisation to the executive directors who are considered to be the key management personnel. The total amount of employee benefits received by the executive directors for the year ending 31 December 2021 was £1,028,071 (2020: £951,910). A detailed breakdown by executive director is included on page 57 of this report.

9. TRUSTEES' REMUNERATION

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

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

	Year to 31/12/2021 number of trustees	Year to 31/12/2020 number of trustees	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Expenses including travel and subsistence	-	-	-	-

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

Save the Children has purchased indemnity insurance at a cost of £28,000 (2020: £22,400) that provides cover:

- (i) to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
- (ii) to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

10. RELATED PARTY TRANSACTIONS

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

As well as donating their time and expertise during 2021, the trustees made unconditional donations of £154,735 (2020: £64,181) to the charity.

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

Anne Fahy is a member of the Save the Children UK Board and is also on the Board of Save the Children International. Dr Tsitsi Chawatama-Kwambana, Chair of the Save the Children UK Board, joined the Board of Save the Children International on 1 April 2022.

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

Income and expenditure items	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Funds transferred for programme delivery	107,976	134,719
Country operating costs	2,815	3,388
Central and regional operating costs	3,606	4,703
Core contributions	3,094	3,114
Member growth	250	628
Strategic investment funding	2,619	2,750
Quality Impact Fund	1,563	1,527
Reimbursements	(1)	14
	121,922	150,843
Balance sheet items	As at 31/12/2021 £000	As at 31/12/2020 £000
Prepayment for programme activity	4,001	17,625
Cost of services incurred by (SCI)/Save the Children UK to be settled in the future	(289)	73
Programme-related investment	955	955

11. INTANGIBLE FIXED ASSETS

Group and charity	Computer software £000	Assets under construction £000	Total £000
Cost at 1 January 2021	12,592	285	12,877
Cost at 31 December 2021	12,592	285	12,877
Accumulated amortisation at 1 January 2021	11,989	-	11,989
Charge for the year	315	-	315
Impairment	-	169	169
Accumulated amortisation at 31 December 2021	12,304	169	12,473
Net book value at 31 December 2021	288	116	404
Net book value at 31 December 2020	603	285	888

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

12. TANGIBLE FIXED ASSETS

(a) Group and charity

	Freehold property £000	Leasehold property improvements £000	Computer equipment £000	Total £000
Cost at 1 January 2021	1,210	6,501	64	7,775
Additions	-	215	-	215
Disposals	-	(94)	-	(94)
Cost at 31 December 2021	1,210	6,622	64	7,896
Accumulated depreciation at 1 January 2021	595	5,231	55	5,881
Charge for the year	38	436	8	482
Disposals	-	(74)	-	(74)
Accumulated depreciation at 31 December 2021	633	5,593	63	6,289
Net book value at 31 December 2021	577	1,029	1	1,607
Net book value at 31 December 2020	615	1,270	9	1,894

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2020: £nil).

13. INVESTMENTS

	Notes	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
Fixed asset investments	13a	39,818	36,977	39,818	36,977
Investment in SCI		955	955	955	955
Investment in subsidiary	13b	-	-	275	275
Total investments		40,773	37,932	41,048	38,207

(a) Fixed asset investments	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
Market value at start of year	36,977	35,288	36,977	35,288
Acquisitions	4,106	9,321	4,106	9,321
Sales proceeds	(4,897)	(8,524)	(4,897)	(8,524)
Net movement in cash balances	791	(106)	791	(106)
Net realised investment gains	869	1,218	869	1,218
Net unrealised investment gain/(loss)	1,972	(220)	1,972	(220)
Market value at end of year	39,818	36,977	39,818	36,977

The market value is represented by:	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
Equities and commodities	21,015	19,002	21,015	19,002
Bonds	2,536	2,515	2,536	2,515
Cash and cash equivalents	16,267	15,460	16,267	15,460
	39,818	36,977	39,818	36,977

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

(b) Investments held by the charity include a £250,000 investment in Save the Children (Sales) Limited and a £25,000 investment in Humanitarian Leadership Academy (Enterprises) Limited at cost – see note 14.

14. GROUP MEMBERS

Wholly-owned subsidiary undertakings	Registration number	Country	Principal activity	Accounting year end
Save the Children (Sales) Limited	00875945	UK	Retail activities and commercial promotions	31 Dec
Medical Emergency Relief International (Merlin)	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA)	09395495 1161600	UK	Global learning initiative to enable preparedness and response to crises	30 Jun
Humanitarian Leadership Academy (Enterprises) Limited (HLA Enterprises Ltd)	10339330	UK	Global learning initiative to enable preparedness and response to crises	31 Dec
Elrha	11142219 1177110	UK	Enhancing learning and research for humanitarian action	31 Dec

Associate undertakings

William Belmer Rush Foundation	00307079	UK	Grant-making charity	31 Mar
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Lead consortium member

Start Network	9286835	UK	Humanitarian response charity	N/A
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For entities with non co-terminous year ends, results for the 12-month period to 31 December 2021 have been consolidated.

On 1 June 2019, the Humanitarian Leadership Academy transferred all assets and liabilities to the Save the Children Fund, by way of a charitable donation. The shares held in Humanitarian Leadership Academy (Enterprises) Limited were also transferred to the Save the Children Fund. Prior to this date HLA Enterprises Ltd was a subsidiary of HLA. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for HLA under s479A of the Act relating to subsidiary companies.

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

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		Merlin		HLA		HLA Enterprises Ltd		Elrha	
	Year to 31/12/2021 £000	Year to 31/12/2020 £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Income	936	606	467	273	-	5	451	221	9,372	13,735
Expenditure	(883)	(499)	(172)	(502)	-	(5)	(426)	(211)	(9,463)	(13,513)
Net income/(expenditure)	53	107	295	(229)	-	-	25	10	(91)	222
Donation to parent charity	(53)	(107)	-	-	-	-	(25)	(6)	-	-
Net movement in funds	-	-	295	(229)	-	-	-	4	(91)	222
	As at 31/12/2021 £000	As at 31/12/2020 £000	As at 31/12/2021 £000	As at 31/12/2020 £000	As at 31/12/2021 £000	As at 31/12/2020 £000	As at 31/12/2021 £000	As at 31/12/2020 £000	As at 31/12/2021 £000	As at 31/12/2020 £000
Assets	294	274	2,820	3,282	-	-	192	227	571	3,215
Liabilities	(44)	(24)	(183)	(941)	-	-	(167)	(202)	(295)	(2,848)
Net assets	250	250	2,637	2,341	-	-	25	25	276	367

14. GROUP MEMBERS (CONTINUED)

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2020: £26,000) as grant funding and £1,000 (2020: £1,000) as an administration fee from William Belmer Rush Foundation.

Investment in associates	Group Year to 31/12/2021 £000	Group Year to 31/12/2020 £000
At 1 January	591	567
Share of retained profit for the year	83	24
At 31 December	674	591

(c) Start Network

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

15. STOCKS

	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
Gift in kind stock for distribution	343	196	343	196
Emergency	11	1,068	11	1,068
Goods for resale	99	113	-	-
Head office	19	18	19	18
	472	1,395	373	1,282

16. DEBTORS

(a) Grant debtors	Group 31/12/2021 £000	Group 31/12/2020 £000	Charity 31/12/2021 £000	Charity 31/12/2020 £000
UK central government	2,104	3,362	1,638	1,733
Irish government	5	7	5	7
Other national governments	18	1,433	18	661
UK local and regional government	79	55	79	55
European Commission (including European Community Humanitarian Aid Office)	7,087	6,690	7,087	6,690
Disasters Emergency Committee	265	1,515	265	1,515
Education Cannot Wait	28	-	28	-
United Nations	2,736	6,859	2,736	6,859
World Bank	2,110	160	2,110	160
Total government and multilateral organisations	14,432	20,081	13,966	17,680
Comic Relief	-	111	-	111
Corporate partners	2,303	2,332	2,303	2,332
Trusts	612	288	612	288
Other	1,235	2,156	1,184	1,495
Total other	4,150	4,887	4,099	4,226
Total grant debtors	18,582	24,968	18,065	21,906

Grant debtors above include amounts both billed and unbilled.

(b) Other debtors

Trade debtors	1,776	718	1,648	532
Legacy debtors	15,466	13,038	15,245	12,936
Amount owed by subsidiary undertakings	-	-	-	55
Taxes recoverable	1,218	900	1,216	900
Prepayments and accrued income	5,405	4,108	5,354	4,094
Save the Children International	3,713	17,697	3,713	17,697
Other debtors	363	233	355	199
	27,941	36,694	27,531	36,413

All debtors are falling due within one year.

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

17. CREDITORS

(a) Amounts falling due within one year	Group	Group	Charity	Charity
	31/12/2021 £000	31/12/2020 £000	31/12/2021 £000	31/12/2020 £000
Trade creditors	4,178	2,787	3,683	2,622
Taxes and social security	1,057	1,061	1,015	1,005
Amount owed to subsidiary undertakings	-	-	4,999	2,311
Accruals	5,256	5,538	4,913	3,939
Deferred income ¹	51,238	66,110	49,259	65,768
Operating lease incentives ²	179	179	179	179
Grant obligations	27	36	-	-
Other creditors	342	2,939	318	2,907
	62,277	78,650	64,366	78,731
(b) Amounts falling due in more than one year				
Operating lease incentives ²	1,028	1,207	1,028	1,207
	1,028	1,207	1,028	1,207

¹ The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £35,122,000 arose in the year and £49,994,000 brought forward from 2020 was released.

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

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At	Provision	Provision	Total
	01/01/2021 £000	created/ (released) £000	utilised £000	31/12/2021 £000
Dilapidations	1,553	274	(73)	1,754
Grants	3,584	289	(350)	3,523
Tax	2,255	(711)	(837)	707
Other	156	441	(30)	567
	7,548	293	(1,290)	6,551
Charity				
	At	Provision	Provision	Total
	01/01/2021 £000	created/ (released) £000	utilised £000	31/12/2021 £000
Dilapidations	1,553	274	(73)	1,754
Grants	2,820	917	(247)	3,490
Tax	2,255	(711)	(837)	707
Other	100	440	(30)	510
	6,728	920	(1,187)	6,461

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

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

Tax provisions represent the accumulated estimated tax liability in overseas jurisdictions where the amount payable is disputed or the tax legislation is unclear.

19. FINANCIAL COMMITMENTS: OBLIGATIONS UNDER OPERATING LEASES

Group and charity

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

Total payments due	Total	Total
	31/12/2021 £000	31/12/2020 £000
Within one year	6,178	6,206
Between two and five years	19,632	19,348
After five years	7,395	11,232
	33,205	36,786

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

20. FINANCIAL COMMITMENTS: GRANT COMMITMENTS

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

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

	Group	Group	Charity	Charity
	31/12/2021 £000	31/12/2020 £000	31/12/2021 £000	31/12/2020 £000
Within one year	137,976	156,333	127,308	144,324
Between two and five years	53,939	99,258	50,176	53,342
After five years	4,006	5,039	4,006	5,039
	195,921	260,630	181,490	202,705

(b) Save the Children UK has entered into a number of grants where we are required to find additional funding for the remainder of the project. Donors have already been found for many of these grants but at year end there were still several grants in progress for which no donor had been found. These amounted to £13.2 million (2020: £7 million). A provision of £2 million (2020: £0.7 million) has been recognised as at 31 December 2021 in respect of grants where Save the Children does not expect to be able to find donors for these over the remaining life of the projects.

(c) Save the Children UK has entered into a number of long-term contracts for the supply of services, all of which are cancellable.

(d) The delivery of the Charity's international programmes is executed by Save the Children International (SCI). SCI currently fulfils this role for the majority of programmes implemented by members of the Save the Children Association. SCI does not raise funds for its own account, instead relying entirely on resources provided by and channelled through the member organisations.

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

- i) The International Programming (IP) contracts provide for those members of Save the Children Association (SCA) for whom SCI delivers international programmes to provide a share of an indemnity capped at US\$20 million in the event that members choose to cease SCI's programming activity. At 31 December 2021, Save the Children UK's share of this was approximately \$2.5 million (2020: \$3.5 million). Save the Children UK is confident that SCI will continue to provide programming services into the future and that the possibility of it ceasing to operate is so remote that it is not disclosed as a contingent liability.

Under the IP contracts, Save the Children UK has given a number of other indemnities to SCI. These include indemnities in respect of operations in countries prior to the date of their programming transition to SCI. These indemnities principally concern retention by Save the Children UK of responsibility for liabilities prior to the date of such transition. At the date of signing the accounts, no material pre-transition issues relating to the normal course of business had been identified. Accordingly, no provision has been made in relation to these indemnities.

- ii) The Save the Children Members have also provided SCI with a standby letter of credit to the value of \$6.2 million, of which Save the Children UK's share is \$3.1 million. This facility is provided in the event of SCI requiring reserves. SCI hold reserves to meet the following purposes:
- the operating expenses of the charity in the event of a downturn in income and/or unforeseen increases in costs
 - the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
 - the costs of closure or wind-down of the core operations of the charity.
- The standby letter of credit is provided by Standard Chartered. As at 31 December 2021 no amounts had been drawn down on this facility.

- (e) SCI has a guarantee of £150,000 with Standard Bank Malawi at the year end relating to grant financing. Save the Children UK has underwritten SCI's commitments under this guarantee. It is not expected that this will come into effect.

21. STATEMENT OF FUNDS

(a) Group	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2021 £000
Unrestricted funds						
General reserve	34,143	75,673	(73,253)	674	(4,115)	33,122
Revaluation reserve	4,350	-	-	1,532	-	5,882
Designated funds:						
Fixed asset reserve	2,375	-	(932)	-	215	1,658
Programme related investment	955	-	-	-	-	955
Associates (note 14)	591	-	-	84	-	675
Merlin	2,191	463	632	-	(806)	2,480
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	44,896	76,136	(73,553)	2,290	(4,706)	45,063
Pension reserve (note 25)	(2,757)	-	(183)	(1,544)	4,364	(120)
Total unrestricted funds	42,139	76,136	(73,736)	746	(342)	44,943
All restricted and endowed funds						
Restricted income funds (note 22)	11,612	164,273	(162,192)	-	342	14,035
Endowment funds	4,865	-	-	634	-	5,499
Total restricted funds	16,477	164,273	(162,192)	634	342	19,534
Total funds	58,616	240,409	(235,928)	1,380	-	64,477

21. STATEMENT OF FUNDS (CONTINUED)

(b) Charity	At 01/01/2021 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2021 £000
Unrestricted funds						
General reserve	34,148	74,369	(71,949)	675	(4,121)	33,122
Revaluation reserve	4,350	-	-	1,532	-	5,882
Designated funds:						
Fixed asset reserve	2,375	-	(932)	-	215	1,658
Programme related investment	955	-	-	-	-	955
Associates (note 14)	-	-	-	-	-	-
Merlin	-	-	-	-	-	-
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	42,119	74,369	(72,881)	2,207	(3,906)	41,908
Pension reserve (note 25)	(2,757)	-	(183)	(1,544)	4,364	(120)
Total unrestricted funds	39,362	74,369	(73,064)	663	458	41,788
All restricted and endowed funds						
Restricted income funds (note 22)	11,090	156,904	(153,932)	-	(458)	13,604
Endowment funds	4,865	-	-	634	-	5,499
Total restricted funds	15,955	156,904	(153,932)	634	(458)	19,103
Total funds	55,317	231,273	(226,996)	1,297	-	60,891

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

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

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

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

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

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

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

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

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

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

21. STATEMENT OF FUNDS (CONTINUED)**Prior-year comparatives:**

(c) Group	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2020 £000
Unrestricted funds						
General reserve	32,248	75,090	(70,309)	955	(3,841)	34,143
Revaluation reserve	4,788	-	-	(160)	(278)	4,350
Designated funds:						
Fixed asset reserve	3,627	-	(1,303)	-	51	2,375
Programme related investment	955	-	-	-	-	955
Associates (note 14)	567	-	-	24	-	591
Merlin	2,415	273	(497)	-	-	2,191
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	44,891	75,363	(72,109)	819	(4,068)	44,896
Pension reserve (note 25)	(625)	-	(242)	(5,829)	3,939	(2,757)
Total unrestricted funds	44,266	75,363	(72,351)	(5,010)	(129)	42,139
All restricted and endowed funds						
Restricted income funds (note 22)	9,193	213,367	(210,810)	-	(138)	11,612
Endowment funds	4,395	-	-	203	267	4,865
Total restricted funds	13,588	213,367	(210,810)	203	129	16,477
Total funds	57,854	288,730	(283,161)	(4,807)	-	58,616

(d) Charity	At 01/01/2020 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2020 £000
Unrestricted funds						
General reserve	32,255	74,382	(69,600)	955	(3,844)	34,148
Revaluation reserve	4,788	-	-	(160)	(278)	4,350
Designated funds:						
Fixed asset reserve	3,627	-	(1,303)	-	51	2,375
Programme related investment	955	-	-	-	-	955
Associates (note 14)	-	-	-	-	-	-
Merlin	-	-	-	-	-	-
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	41,916	74,382	(70,903)	795	(4,071)	42,119
Pension reserve (note 25)	(625)	-	(242)	(5,829)	3,939	(2,757)
Total unrestricted funds	41,291	74,382	(71,145)	(5,034)	(132)	39,362
All restricted and endowed funds						
Restricted income funds (note 22)	8,890	204,688	(202,353)	-	(135)	11,090
Endowment funds	4,395	-	-	203	267	4,865
Total restricted funds	13,285	204,688	(202,353)	203	132	15,955
Total funds	54,576	279,070	(273,498)	(4,831)	-	55,317

22. RESTRICTED FUNDS

(a) Group

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

	At 01/01/2021 recategorised ¹ £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2021 £000
Regions					
East Africa	202	42,207	(42,227)	163	345
Southern Africa	174	3,619	(3,589)	-	204
West and Central Africa	(113)	21,998	(21,664)	710	931
Asia	234	19,141	(19,559)	119	(65)
Latin America and Caribbean	721	(189)	(890)	380	22
Middle East and South-East Europe	751	11,247	(11,637)	(238)	123
United Kingdom	3,762	8,617	(7,285)	(2,131)	2,963
Multi-region	1,284	9,627	(9,900)	1,579	2,590
Emergency Appeals					
Syria	943	410	(260)	62	1,155
Yemen	771	801	(118)	(154)	1,300
Cyclone Idai	29	840	(840)	-	29
COVID-19	259	4,398	(4,342)	(200)	115
Other	58	315	(258)	(63)	52
Other Funds					
Children's Emergency Fund ²	286	4,179	(4,350)	527	642
Thematic/country funds ³	38	274	27	(237)	102
Start Network	909	23,759	(22,328)	(103)	2,237
Elrha	366	9,339	(9,430)	-	275
Other	938	3,691	(3,542)	(72)	1,015
	11,612	164,273	(162,192)	342	14,035

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

² Children's Emergency Funds not yet allocated to particular country programmes.

³ Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

22. RESTRICTED FUNDS (CONTINUED)

(b) Charity

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

	At 01/01/2021 re-categorised ¹ £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2021 £000
Regions					
East Africa	202	42,207	(42,227)	163	345
Southern Africa	174	3,619	(3,589)	-	204
West and Central Africa	(120)	21,998	(21,664)	710	924
Asia	158	19,141	(19,559)	119	(141)
Latin America and Caribbean	721	(189)	(891)	380	21
Middle East and South-East Europe	736	11,247	(11,637)	(238)	108
United Kingdom	3,762	8,617	(7,285)	(2,131)	2,963
Multi-region	1,230	10,427	(9,900)	779	2,536
Emergency Appeals					
Syria	943	409	(260)	62	1,154
Yemen	771	797	(113)	(154)	1,301
Cyclone Idai	29	841	(840)	-	30
COVID-19	259	4,398	(4,342)	(200)	115
Other	58	315	(258)	(63)	52
Other Funds					
Children's Emergency Fund ²	286	4,179	(4,350)	527	642
Thematic/country funds ³	38	274	27	(237)	102
Start Network	909	23,759	(22,328)	(103)	2,237
Elrha	-	1,174	(1,174)	-	-
Other	934	3,691	(3,542)	(72)	1,011
	11,090	156,904	(153,932)	(458)	13,604

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

² Children's Emergency Funds not yet allocated to particular country programmes.

³ Funds restricted to a particular thematic objective (eg, health, nutrition).

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some performance-related project funds. The trustees consider that the likelihood of reimbursement is of a sufficient level to justify the carrying of these deficit funds at the end of the year.

(c) Included in the restricted fund balances are the following:

	At 01/01/2021 £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2021 £000
National Lottery Community Fund					
Emerging Futures	-	36	(36)	-	-
Coronavirus Community Support Fund	-	99	(99)	-	-
	-	135	(135)	-	-

23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2021 £000	Other gains/(losses) £000	At 31/12/2021 £000
The Oliver Children's fund	4,865	634	5,499
	4,865	634	5,499

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2021 £000
Tangible and intangible fixed assets	353	-	1,658	-	-	-	2,011
Fixed asset investments	28,436	5,882	1,630	-	-	5,499	41,447
Current assets	23,378	-	2,771	-	64,846	-	90,995
Current liabilities	(11,466)	-	-	-	(50,811)	-	(62,277)
Non-current liabilities	(1,028)	-	-	-	-	-	(1,028)
Provisions for liabilities and charges	(6,551)	-	-	-	-	-	(6,551)
Pension liability	-	-	-	(120)	-	-	(120)
	33,122	5,882	6,059	(120)	14,035	5,499	64,477

(b) Charity

Fund balances at 31 December 2021 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2021 £000
Tangible and intangible fixed assets	353	-	1,658	-	-	-	2,011
Fixed asset investments	28,712	5,882	955	-	-	5,499	41,048
Current assets	27,106	-	291	-	62,410	-	89,807
Current liabilities	(15,560)	-	-	-	(48,806)	-	(64,366)
Non-current liabilities	(1,028)	-	-	-	-	-	(1,028)
Provisions for liabilities	(6,461)	-	-	-	-	-	(6,461)
Pension liability	-	-	-	(120)	-	-	(120)
	33,122	5,882	2,904	(120)	13,604	5,499	60,891

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**Prior period comparatives:****(a) Group**

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2020 £000
Tangible and intangible fixed assets	407	-	2,375	-	-	-	2,782
Fixed asset investments	27,762	4,350	1,546	-	-	4,865	38,523
Current assets	27,477	-	2,482	-	77,514	-	107,473
Current liabilities	(12,748)	-	-	-	(65,902)	-	(78,650)
Non-current liabilities	(1,207)	-	-	-	-	-	(1,207)
Provisions for liabilities and charges	(7,548)	-	-	-	-	-	(7,548)
Pension liability	-	-	-	(2,757)	-	-	(2,757)
	34,143	4,350	6,403	(2,757)	11,612	4,865	58,616

(b) Charity

Fund balances at 31 December 2020 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2020 £000
Tangible and intangible fixed assets	407	-	2,375	-	-	-	2,782
Fixed asset investments	28,037	4,350	955	-	-	4,865	38,207
Current assets	26,846	-	291	-	76,614	-	103,751
Current liabilities	(13,207)	-	-	-	(65,524)	-	(78,731)
Non-current liabilities	(1,207)	-	-	-	-	-	(1,207)
Provisions for liabilities	(6,728)	-	-	-	-	-	(6,728)
Pension liability	-	-	-	(2,757)	-	-	(2,757)
	34,148	4,350	3,621	(2,757)	11,090	4,865	55,317

25. PENSION COSTS

(a) Save the Children UK has a number of different arrangements in relation to pension schemes. These are explained below.

(i) Defined Benefit Triennial valuation (notes 25b–c)

(ii) Accounting valuation under FRS 102 (defined benefit scheme) (notes 25d–h)

(iii) Defined contribution scheme (note 25i)

(iv) The Pensions Trust Growth Plan (multi-employer scheme) (note 25j)

Net movement in pension liability	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2021 £000	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2020 £000
Net pension liability at start of year	2,236	521	2,757	–	625	625
Expenses	179	–	179	220	–	220
Net interest expense	3	1	4	(179)	6	(173)
Contributions by employer	(4,241)	(123)	(4,364)	(3,820)	(119)	(3,939)
Net actuarial (gains)/losses in the year	(19,744)	(279)	(20,023)	13,177	9	13,186
Losses due to benefit changes	–	–	–	16	–	16
Unrecognised surplus/effect of asset ceiling	21,567	–	21,567	(7,178)	–	(7,178)
Net pension liability at end of year	–	120	120	2,236	521	2,757

(b) Triennial valuation

Save the Children UK contributes to a defined benefit (career average revalued earnings) funded pension scheme, the Save the Children UK defined benefit pension scheme, administered by The Pensions Trust. This scheme closed to new entrants on 14 June 2002 and to future accrual on 1 January 2018.

The last formal triennial valuation of the defined benefit scheme was performed at 30 September 2020 by a professionally qualified actuary. This reported the scheme assets as £206.69m and the scheme liabilities as £215.88m. This corresponds to a scheme deficit of £9.19m and a funding level of 96%. The triennial valuation also reported that there were 0 active members, 962 deferred members and 823 pensioner members, a total of 1,785 members.

A subsequent scheme funding valuation was performed to 30 September 2021. At that date, the scheme was in an estimated surplus of £12.1m and had a funding level of 106%. Following this updated scheme funding valuation, the Trustee agreed with the employer that deficit contributions could cease from October 2021, the only continuing contributions agreed at this valuation related to expenses only.

(c) Triennial valuation: assumptions

The triennial actuarial valuation carried out at 30 September 2020 used the following principal assumptions:

Average rate of return on investments pre-retirement	Initial rate of gilt yield curve plus 1.61% p.a. at the valuation date tapering linearly to gilt yield curve plus 0.5% p.a. over a transition period of 11 years for past service liabilities.
Retail Price Index assumption	Gilt inflation curve
Consumer Price Index assumption	RPI less 1.0% p.a. at each term until 2030 and RPI inflation less 0.3% p.a. at each term thereafter.
Mortality	102% after retirement of S3PMA (males) and S3PFA (females). CMI_2019 with long-term improvement rates of 1.5% pa for males and 1.25% for females.

25. PENSION COSTS (CONTINUED)

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2021

The pension reserve amount shown on the balance sheet and the actuarial losses shown in the SOFA are valued in accordance with the accounting policy in note 1j. The assets of the scheme are valued at their market value on the balance sheet date. This value may therefore fluctuate materially from year to year in response to market conditions. It follows that any surplus or deficit of assets over discounted liabilities reported at a particular balance sheet date under FRS 102 will not necessarily reflect whether there will be sufficient assets available to meet the actual pension obligations that will have to be satisfied over a long period of time in the future.

The present value of the liability to meet future pension obligations of members is arrived at by applying a discount rate equivalent to the return expected to be derived from a Class AA corporate bond as at the balance sheet date. In the 2020 triennial actuarial valuation referred to above, the discount rate used was that as at 30 September 2020 and applied to the scheme's actual investments, making a cautious estimate of long-term expected returns. The different timings and thus discount rates and bases on which these rates are applied then explain any difference between the amount of the deficit valued under either the triennial or FRS 102 methods. Furthermore:

- (i) the scheme assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer;
- (ii) the scheme holds quoted securities and these have been valued at bid-price.

Reconciliation of opening and closing balances of the scheme assets and liabilities

	Fair value of scheme assets	Present value of scheme liabilities	Scheme assets less scheme liabilities
Scheme assets/(liabilities) at start of year	214,700	(216,936)	(2,236)
Expenses	(179)	-	(179)
Interest income/(cost)	2,999	(3,002)	(3)
Actuarial gain	11,296	8,448	19,744
Contributions by employer	4,241	-	4,241
Benefits paid	(4,976)	4,976	-
Scheme assets/(liabilities) at the end of year	228,081	(206,514)	21,567
Provision for loss due to benefit changes			-
Unrecognised surplus scheme assets			(21,567)
Scheme assets/(liabilities) recognised at the end of year			-

(e) Amounts recognised in the statement of financial activities

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Interest income	2,999	3,726
Interest expense	(3,002)	(3,547)
Interest on effect of asset ceiling	-	(179)
Net interest expense	(3)	-
Expenses	(179)	(220)
Provision for benefit changes	-	(16)
Total expense	(182)	(236)
Net actuarial gains/(losses) in the year	19,744	(13,177)
Unrecognised surplus/effect of asset ceiling	(21,567)	7,178
Interest on effect of asset ceiling	-	179
Total decrease in net funds	(2,005)	(6,056)

25. PENSION COSTS (CONTINUED)

(f) The assets at 31 December 2021 are represented by:	At 31/12/2021 Fair value £000	At 31/12/2020 Fair value £000
Equities	32,745	42,439
Property	20,769	12,046
Government bonds	148,925	127,634
Other	25,642	32,581
Scheme assets	228,081	214,700

(g) Actuarial assumptions

In the above, investments have been valued at fair value and liabilities have been determined by a qualified actuary using assumptions consistent with the requirements of FRS 102, namely:

Financial assumptions	Year to 31/12/2021 % p.a.	Year to 31/12/2020 % p.a.
Discount rate	1.83	1.40
Inflation (RPI)	3.31	3.00
Inflation (CPI)	2.96	2.60
Deferred revaluation: RPI max 5% p.a.	3.31	3.00
Pension increases in payment: CPI max 5% p.a.	2.90	2.60
Pension increases in payment: CPI max 2.5% p.a.	2.00	1.90
Pension increases in payment: CPI max 3% p.a.	2.30	2.10

Demographic assumptions

Mortality	Year to 31/12/2021	Year to 31/12/2020
Base tables	S3PXA	S3PXA
Loading on base tables	107%	107%
Improvement allowance, for males	CMI_2020 (1.5%)	CMI_2019 (1.5%)
Improvement allowance, for females	CMI_2020 (1.25%)	CMI_2019 (1.25%)
Smoothing parameter	7.0	7.0

25. PENSION COSTS (CONTINUED)

(h) Review of scheme benefit changes

During 2021 Save the Children UK were notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. This review identified that, in some cases, changes to Scheme benefits (primarily those made in 1994) may have been implemented at a time or in a way that may not have been in accordance with the TPT Trust Deed or Rules and other relevant governing documentation or applicable law. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). If the court finds that any of the amendments made to the benefits of members were not validly made by TPT in line with the TPT governing documentation and/or applicable law, the Trustee may be required to amend the TPT Rules to reflect the benefits members were entitled to before the relevant amendment(s) was made. This may result in an increase to the Scheme's liabilities.

The actuarial valuation for the Scheme as at the end of 2021 identified a surplus of £21.6m performed under FRS 102 and makes no allowance for these potential liabilities. The financial impact of the potential liabilities is still under review. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q4 2024 (and may subsequently be subject to appeal).

Save the Children UK have reviewed information shared by TPT and received independent legal and financial advice regarding the potential financial impact of the various scheme changes and the likelihood of a court ruling that the various changes were invalid. There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0m–£68m of liability (calculated on FRS102 assumptions based on financial conditions as at 30 June 2022). This estimate is based on the current investment strategy and applicable valuation assumptions, which we are currently reviewing with TPT. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed. Where liabilities exceed the funding surplus in the Scheme, a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years. In the event of an adverse ruling, we estimate that any annual payment plan could be up to a similar level to Scheme deficit reduction payments made in previous years when the Scheme was in deficit.

(i) Defined contribution scheme

Save the Children UK has a Group Personal Pension (GPP), provided by Legal and General as its workplace pension scheme and to meet its automatic enrolment obligation. From October 2013 all staff may join a retirement savings scheme, either the GPP for UK-based staff or a long term savings plan for overseas staff. Elrha staff also participate in the GPP. Prior to October 2013 Save the Children UK used an occupational pension scheme which was provided by Prudential; this scheme was wound up on 10 May 2019.

The cost of the defined contribution scheme is included within salary costs as shown in note 8. It is therefore also included in note 7 and is attributable to the different categories of expenditure according to the employees to which it relates.

Employer's contributions are charged to the consolidated statement of financial activities as follows:

	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Pension contributions	2,117	2,154
	At 31/12/2021 £000	At 31/12/2020 £000
Outstanding pension contributions	316	324

These are included within creditors in note 17a.

25. PENSION COSTS (CONTINUED)

(j) The Pensions Trust Growth Plan

Save the Children UK participates in The Pensions Trust's Growth Plan. This is a multi-employer pension plan that has final salary and money purchase arrangements – a proportion of which have some guarantees. This scheme has been treated as a multi-employer scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers).

There is a potential liability for the employer that could be levied by the plan's trustee in the event of the employers ceasing to participate in the plan or the plan winding up. There is also a potential liability where other participating employers are unable to pay their debt relating to the plan.

The last formal triennial valuation of the plan was performed at 30 September 2020 by a professionally-qualified actuary. The valuation revealed that the assets of the plan fell short of the accrued liabilities as at the valuation date. This resulted in a solvency funding level of 81%.

The triennial valuation at 30 September 2020 showed that Save the Children UK had an estimated debt (and thus contingent liability) on withdrawal from the plan of £1.3 million.

The actuary advises that the deficit in the scheme, on an FRS 102 basis, is £0.1 million (2020: £0.5 million). The deficit includes Save the Children's share of any 'orphan' liabilities in respect of previously participating employers. Save the Children UK started to make deficit contributions in April 2013. In 2021 Save the Children UK paid £123k (2020: £119k). Contributions from April 2022 are £55k and increase annually by an inflation factor; it is estimated that this should reduce the potential debt to zero by September 2025. Under FRS 102 Save the Children UK is required to recognise a liability for the deficit funding arrangement that has been agreed relating to past service. However, Save the Children UK has no current intention to leave the plan and trigger the contingent liability.

Net movement in the pension liability	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Provision at the start of the period	521	625
Unwinding of the discount factor (interest expense)	1	6
Deficit contribution paid	(123)	(119)
Remeasurements – impact of any change in assumptions	(1)	–
Remeasurements – reduction in future agreed contributions	(278)	9
Provision at the end of the period	120	521
Amounts recognised in the statement of financial activities	Year to 31/12/2021 £000	Year to 31/12/2020 £000
Interest expense	1	6
Remeasurements – impact of any change in assumptions	(1)	–
Remeasurements – reduction in future agreed contributions	(278)	9
	(278)	15
Financial assumptions	Year to 31/12/2021 % p.a.	Year to 31/12/2020 % p.a.
Rate of discount	1.18	0.27

**26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2021 £000	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2020 £000
Income and endowments from:						
Donations and legacies	64,366	19,944	84,310	63,773	24,113	87,886
Charitable activities	-	136,864	136,864	-	180,467	180,467
Other trading activities	6,633	-	6,633	6,285	-	6,285
Investments	496	-	496	760	-	760
Other	2,874	96	2,970	3,564	108	3,672
Total income	74,369	156,904	231,273	74,382	204,688	279,070
Expenditure on:						
Raising funds	28,673	1,380	30,053	27,323	758	28,081
Charitable activities						
Nutrition	3,221	14,682	17,903	2,501	17,563	20,064
Livelihoods	3,826	19,386	23,212	4,594	33,010	37,604
Health	5,350	26,242	31,592	5,757	36,496	42,253
Protection and rights	1,591	8,752	10,343	1,237	9,913	11,150
Education	7,902	37,331	45,233	6,533	37,121	43,654
Rapid onset emergencies	12,956	42,936	55,892	12,903	64,031	76,934
Advocacy and awareness	7,115	3,216	10,331	7,837	3,459	11,296
Total charitable activities	41,961	152,545	194,506	41,362	201,593	242,955
Other	2,430	7	2,437	2,460	2	2,462
Total expenditure	73,064	153,932	226,996	71,145	202,353	273,498
Net gains on investments	2,207	634	2,841	795	203	998
Net income	3,512	3,606	7,118	4,032	2,538	6,570
Transfers between funds	458	(458)	-	(132)	132	-
Actuarial gains/(losses) on defined benefit pension scheme	(1,544)	-	(1,544)	(5,829)	-	(5,829)
Net movement in funds	2,426	3,148	5,574	(1,929)	2,670	741
Fund balances brought forward	39,362	15,955	55,317	41,291	13,285	54,576
Fund balances carried forward	41,788	19,103	60,891	39,362	15,955	55,317

27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Department for International Development in the year ended 31 December 2021

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	1,039
Bangladesh Country Office	COVID-19 Preparedness and response for vulnerable populations	302
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	6,990
DRC Country Office	Girl's Education Challenge Transition	1,585
Ethiopia Country Office	Programme Addressing Unsafe Irregular Migration 2019	554
Mozambique Country Office	Linking Agribusiness and Nutrition	172
Mozambique Country Office	Programme for Advancement of Girls' Education	1,444
Multi-country	Safer Schools Project 2017	66
Myanmar Country Office	COVID-19 Response – HARP Facility	118
Myanmar Country Office	MMR Supporting children in the first '1000' days of life and beyond, to reduce child mortality and stunting in high burden states and regions of Myanmar	2
Nepal and Bhutan Country Office	COVID-19 UK NERF COVID-19 response 2020	1,572
Nigeria Country Office	Child Development Grant Programme (CDGP), Northern Nigeria	2,175
Nigeria Country Office	NGA– ESPID	1,059
Somalia Country Office	Community Health and Nutrition through Local Governance and Empowerment (CHANGE) programme	753
Somalia Country Office	Somalia Humanitarian and Resilience Programme (SHARP) Phase II	1,973
South Sudan Country Office	SSD_Health Pooled Fund 2_Kapoeta	(2)
South Sudan Country Office	START Response to flooding in Tonj-South, SSD 2021	(2)
START Network	Start Fund 2018–2021	6,717
START Network	Start Fund Model Bangladesh – Phase 2	84
START Network	START Network Crisis and Disaster Risk Financing 2019	903
START Network	START Fund Nepal Contribution 2021–2022	458
START Network	Start Fund Bangladesh – Phase 3	307
Tanzania Country Office	TZA Increasing Access to Education in Zanzibar	599
Uganda Country Office	Response Innovation Lab_ULEARN_2019	878
United Kingdom	Elrha – DFID/FCDO 2019–2023 – Humanitarian Innovation Fund/Community-Led Innovation/Global	2,979
United Kingdom	Elrha – Research for Health in Humanitarian Crises (R2HC) Phase 3 – FCDO	757
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	1,796
United Kingdom	SUN CSN Support 2018–2020	122
Yemen Country Office	Multisector Humanitarian Response Programme Extension	2,446
		37,846

(b) Income from the UK Department of Health in the year ended 31 December 2021

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	692
United Kingdom	UKH Elrha R2HC Phase 3 (DoH)	48
		740
Total UK central government income		38,586

(c) Income from the Irish government in the year ended 31 December 2021

Countries supported	Project	£000
Ethiopia Country Office	Eth Irish Aid Contingency support to SWAN for Tigray Conflict	371
Ethiopia Country Office	Eth Irish Aid Gender Equality	1,788
Ethiopia Country Office	ETH Irish Aid Support for ECSC-SUN 2021-25	495
Ethiopia Country Office	Eth_ECSC-SUN follow on 2019	(3)
Ethiopia Country Office	Ethiopian Civil Society Coalition for Scaling up Nutrition	(1)
Malawi Country Office	Pathways to resilience (P4R)_2019-2020	589
Sierra Leone Country Office	SLE Genda Bizness	587
START Network	Irish Aid START Fund Contributions 2021	1,223
START Network	Irish Aid Start Funding 2020-2021	75
United Kingdom	SUN CSN Support 2018-2020	163
		5,287

Negative figures relate to adjustments made on the closeout of awards, including where amounts are being returned to donors where Save the Children UK has not been able to spend the funds in accordance with donor wishes.



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