

**ANNUAL REPORT
2022**



**Save the
Children**

CHANGING THE FUTURE

TOGETHER

STANDING WITH SAHRA*

In 2022, we worked to tackle the hunger crisis in East Africa, and help children affected by malnutrition. Children like Sahra*, in Somalia, who appears on the cover of this annual report and below.

Sahra lives in a camp for people affected by conflict and climate change. It is becoming more difficult for families here to afford enough food because of rising global prices.

Sahra knows what it's like to go hungry. She told us, "When I don't eat something, I feel tired, and I don't play so much."

The local health centre provides a special peanut paste for babies and children who need extra nutrients. "After eating it, I get the energy to play with my friends," says Sahra*. She regularly attends the child-friendly space we run.

We're making sure children like Sahra across the world can get nutritious food, 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
a doctor
because I like
to help people"**



PHOTO: MUSTAFA SAEED/SAVE THE CHILDREN

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WHO WE ARE

Save the Children's ambition is a world in which every child has the right to survive, learn and be protected. We were founded on the belief that every child deserves the chance of a future. This belief underpins everything we do.

We support children to transform their lives. We put children's rights at the core of all our work and strive for equity and social justice. We are committed to making a positive, lasting difference for and with children.

Save the Children works 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 and volunteers who 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.

We are enormously honoured and grateful that Her Late Majesty Queen Elizabeth II served as our Patron from 1952 to 2017. During her 65 years as Patron, she made an invaluable contribution to building a better world for children. Her passion and dedication will never be forgotten.

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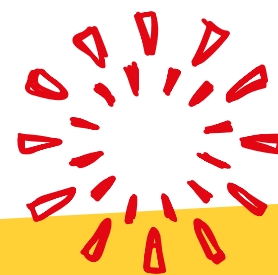
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“The best way to respond

to emotion is to

take action”

The Youth Advisory Board is made up of 18 young people aged 12-18 from across the UK. Formed in 2021, the Board's goal is to ensure we amplify young voices and stay true to holding children's rights at the heart of everything we do. For more information, please see page 30.

EMILY

There are so many issues facing us globally and in the UK. The climate emergency, cost-of-living crisis, widening inequality and global conflict all create a backdrop of threat, uncertainty and unfairness in our daily lives.



We, as young people, need world leaders we can invest our trust and hope in. We need them to work with us and show us they are willing to listen and prioritise what is important to us for now and the future.

Being a youth advisor provides an important opportunity to take action, have a voice and stand alongside others with a shared commitment to a fair, equal and safe future for everyone. The inclusion and representation of young people provides a refreshing sense of optimism and hope. I am proud to be part of this mission.

WILL

Across the UK, millions of people are struggling with the rising cost of living and having to make the agonising decision of choosing between heating and eating. From having cold, damp homes to going all day without food, children are suffering the most during these turbulent times.



Likewise, the treatment of refugees as they arrive in the UK is upsetting. To make the heart-breaking decision to leave one's homeland and make the treacherous journey that follows in search of a better life elsewhere, is to be admired and respected. It is only by welcoming people can we understand the value and benefits to society that they can bring.

I have a simple yet optimistic hope for the future: that people everywhere, regardless of their background, will be able to live free, happy and fulfilling lives. It is paramount that each person feels valued for who they are and that they feel like they bring value to the people around them.

ROISIN

I have always known that I had a voice, just often didn't have a medium to use it. So when the opportunity to apply for the Youth Advisory Board arose, I didn't hesitate. Seeing all the inequities in this world always upsets me, and I believe that the best way to respond to this emotion is to take action. We are such a powerful group.



I have been campaigning about climate change for some time. In my second year of secondary school, alongside a group of my peers, we wrote a petition and made a video addressing plastic pollution and won £200 for our school's geography department.

Since joining the Youth Advisory Board this passion of mine has been ignited even further. The climate crisis has been one of our main areas of focus and together we made a guide for adults on '[How To Talk To Children About Climate Anxiety](#)'. I also had an interview with the BBC which got published as a press release titled '[Climate anxiety is rising](#)'.

In the future, I hope that all children get access to education as it is something which every child has a right to and will give them an opportunity to fulfil their potential.



BUILDING FUTURES FOR CHILDREN



HRH The Princess Royal visiting Save the Children Catch-up Club Programmes in Uganda, October 2022.

Throughout 2022, Save the Children remained steadfast in supporting children and families around the world, no matter what emergencies they were facing. Save the Children worked with partners and communities to make sure families had food, water, cash and shelter. We minimised the disruption to children's education, providing resources for learning at home and helping half a million children across 12 countries to continue their education through our Safe Back to School Fund.

One priority was to tackle the escalating hunger crisis in East Africa, by supporting healthcare workers who are saving children from the worst forms of malnutrition in Somalia and Ethiopia. In response to the UK's rising cost of living, Save the Children supported around 2,400 families with a grant of, on average, £400 to buy food and clothes, and resources to support their children's early learning.

This year I was pleased to be able to visit our work overseas for the first time in five years. I went to an education centre in Uganda to see the school's Catch-up Club in action. Uganda had the longest school closures in the world during the COVID-19 pandemic, and these clubs help children make good their lost learning. My trip to Uganda also allowed me to visit one of Save the Children's child-friendly spaces, to see how play and education can help children and families recover from their experiences of conflict.

Fighting in places such as Ukraine, Pakistan and Mozambique has had significant impact on children's lives, education and aspirations. Today, a record number of children – 1 in 6 – live in warzones around the world. Save the Children's networks and partners operating in these regions make an enormous difference to our ability to support children whose lives are in danger and whose futures are under threat. We have helped more than 740,000 people affected by the conflict in Ukraine alone.

Looking to 2023, Save the Children's efforts are needed more than ever to make sure children get the food they need, can go to school and have the chance to reach their full potential. A better world for children can be built, and I have seen what is possible when we work together to make this happen.

Thank you to those who have helped us this year to drive forward new and innovative ways to support children's health, learning and protection. Together, we are helping children build the future they deserve.

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

MESSAGE FROM THE CHIEF EXECUTIVE AND CHAIR

In a year that saw multiple, overlapping crises, 2022 tested our teams like never before.

Just as the world began to emerge from the disruption caused by COVID-19, soaring food and fuel prices threw millions of families into poverty and hunger. Here in the UK, 30% of children are now growing up in poverty, with their parents unable to afford basics like food, heating and clothing. Extreme weather linked to the climate crisis is becoming far more common and those least responsible for carbon emissions suffer most – from families facing famine in East Africa after the worst drought in 40 years to those in Pakistan where one-third of the country was left underwater by unprecedented floods.

The escalating war in Ukraine has led to the fastest and largest displacement of people in Europe since the Second World War. Globally, one in six children are living in a conflict zone, thanks to wars in places the world wants to forget like Yemen, Afghanistan, Syria or the Democratic Republic of the Congo. Over 100 million people have been forced from their homes by fear or disaster, and too few receive the welcome that Ukrainian families found in richer countries like the UK.

The numbers are stark. But we know that when we work together, we can achieve great things.

We believe that helping children achieve their potential is a fantastic investment in our collective future. In 2022, we provided families with access to healthcare facilities, created safe learning spaces for children, and worked with communities on the frontline of the climate crisis to adapt and prepare for future shocks. We reached over 10 million children in around 40 countries to detect, prevent and treat malnutrition (page 6). We provided back-to-school kits to 7,118 children in Sierra Leone (page 10). In Ukraine, from the start of the escalation until the end of 2022, we helped more than 800,000 people, including 430,000 children (page 14), as well as millions more who are living as refugees across Europe and further afield. Here in the UK, Save the Children's work spans all four nations and we worked to close the inequality gap between children from low-income families and their better-off peers.

BUILDING A BETTER FUTURE, TOGETHER

Behind each of these achievements, there is an entire community that makes our work possible: a community made up of incredible staff, volunteers, partners and supporters, who believe in a better world for children and are more committed than ever to driving forward

our global ambitions on children's survival, learning and protection.

We know that children believe in a better world, too. Last year, we spoke to over 54,000 children and young people from 40 countries to form our Generation Hope campaign. 83% of the children participating in our survey have noticed climate change or economic inequality affecting the world around them. They were also firm in their belief that change is possible and 73% believed adults should be doing more to tackle the issues. We completely agree.

One of the ways we will achieve lasting change for children is by shifting more power and resources closer to communities. In 2022, we joined other international charities in signing the Pledge for Change. This is a collective commitment to embed the principles of solidarity, humility, self-determination, equity and partnerships even deeper into the way that we work. There is much to be done, but we will keep prioritising this work.

We will continue to support children and their families when crisis strikes, as we have already done in early 2023 with the devastating earthquakes in Turkey and Syria, where Save the Children is delivering food and shelter to families in need. At the same time, we are stepping up our work to help families and communities to protect themselves from shocks, and to tackle root causes.

Our founder, Eglantyne Jebb, once said "Every generation of children offers mankind the possibility of rebuilding his ruin of a world". And we must use these words as a call to action. Together – with children, for children – we can make a better future possible.



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 2022, the Save the Children global movement directly supported 48.8 million children in 115 countries around the world.

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.

MEMBER OF A GLOBAL MOVEMENT

In 2022, Save the Children UK supported the global movement in 49 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 humanitarian sector with capacity-strengthening programmes.



Save the Children Romania ran summer classes for children who had fled the conflict in Ukraine.

2022-24 STRATEGY

Over the final two years of our 2022-24 strategy, we will continue to work with and for children to bring about lasting change in the UK and around the world.

We have four strategic goals for children:

A healthy start in life

A safe return to school and access to quality learning

A childhood free from violence

Resilience to cope in tough times

We are tackling the triple threat of the climate crisis, conflict and COVID-19, and prioritising the rights of those children worst affected by inequality and discrimination. In the UK, we are focusing on children's learning and practical support for families in poverty.

We will accelerate our impact by:

Advocating, campaigning and mobilising for child rights

Shifting power and resources to children, communities and local partners

Creating **shared-value partnerships** that contribute impact, influence, income, engagement and skills

Building a **kind, inclusive and agile** organisation

Optimising and futureproofing our resources

Embedding **data-driven** decision-making and enhancing our **digital and technology** skills

SHIFTING POWER AND RESOURCES

We are committed to shifting power and resources to local and national organisations, communities and children. This means sharing our experience, data, knowledge and skills to forge truly equitable partnerships. It involves building alliances between small organisations rooted in the experience of communities and putting children's voices at the heart of all that we do. One way we are doing this is through our work with the Humanitarian Leadership Academy (see page 18).

A HEALTHY START IN LIFE

33 MILLION CHILDREN

reached through our movement's health and nutrition programmes in 2022

In 2022, we worked to give every child the chance to survive and thrive.

We delivered life-saving health and nutrition services to families whose lives had been turned upside down by conflict or disaster, and provided cash and essentials to help them cope. And we kept up the pressure on world leaders for a united response to the global hunger crisis.

We tested innovative ways to bring quality healthcare services to children, generating evidence of what works – evidence that can inform national and global strategies.

And we gave young people training and tools to take charge of their own health and survival, supporting adolescents to advocate against early marriage and childbearing in their communities.

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.

A GLOBAL HUNGER CRISIS

In the twenty-first century, no child should die of hunger. Yet in 2022, a deadly combination of conflict, the climate emergency, COVID-19 and the cost-of-living crisis pushed millions of families into food insecurity. A staggering 345 million people are now experiencing acute hunger, a number that has more than doubled since 2019.

In food crises, young children are always badly affected. Without enough to eat they are vulnerable to disease and the lack of nutrients means their bodies and minds can't develop as they should. Those who survive malnutrition are often left with life-long effects, including impaired physical growth and cognitive development.

In 2022, we helped form the global Hungry for Action coalition, bringing together organisations from all sectors to campaign on the hunger crisis. In the run up to the G7 leaders' meeting, we galvanised humanitarian organisations into joint action by placing advertisements in key newspapers around the world on the same day. This was backed up with a powerful social media campaign and creative advocacy, which drove the hunger crisis and

its causes up the political agenda. We kept up the pressure throughout the year, at important international meetings from the COP27 climate summit to the G20 meetings, encouraging leaders to acknowledge the crisis and step up their response.

AVERTING FAMINE IN EAST AFRICA

In East Africa, rains have failed for the fifth consecutive rainy season and conflict has prevented help from getting to vulnerable populations. This has contributed to the region being on the brink of one of worst famines in 40 years. By the end of 2022 more than two million children in Somalia, Kenya, Ethiopia and South Sudan were in the grip of severe acute malnutrition. International outrage has grown but it in no way matches the response needed.

Responding to the crisis in East Africa has been a top priority for everyone at Save the Children. In Somalia, Kenya, Ethiopia and South Sudan, we've provided health and nutrition services, distributed emergency food assistance and provided cash so people can buy what

Stunting, or chronic malnutrition – when a child is too short for their age because they haven't grown enough due to inadequate nutrition during the first 1,000 days of life.

Wasting, or acute malnutrition – when a child is too thin for their height because they have not had enough nutritious food and/or are ill. This is the most dangerous form of malnutrition.



Yasmiin* has brought four-year-old Ubah* to a centre for malnourished children in Puntland, Somalia.

they need. We've also helped communities to access clean water to reduce the risk of illness and disease. In 2022 our emergency response reached 8.8 million people, including 4.6 million children.

See page 19 for more information on how we have been predicting climate-related food shortages in East Africa.

BRINGING TREATMENT CLOSER TO HOME

In 2022, the Save the Children movement reached over 10 million children in around 40 countries to detect, prevent and treat malnutrition.

In many countries, the life-saving treatment that is so vital for malnourished children is only available in health facilities. Making treatment available in communities means children can be diagnosed and treated close to their homes. It also reduces the burden on health facilities.

With our partners, we worked to generate evidence and used it to persuade national and global decision-makers to support, promote and resource community-based management of wasting.

- In Kenya, we worked with the county government in Turkana County to simplify treatment protocols for wasting and enable community health workers to detect and treat malnutrition, alongside other diseases.
- In Somaliland, we adapted the tools from Kenya and trained community health workers in remote areas to do the same.

We are now analysing data from both countries. Early learnings are showing that community-based treatment allows children to be reached quickly and the quality of treatment remains high. We have also found that there is a high level of community acceptance for this approach which is seen to be lifting the burden on local health facilities.

We also built strategic partnerships with national health ministries, various global partners and forums, academics, UN agencies and NGOs to galvanise support for the scaling-up of community-based treatment of wasting. We submitted evidence to the World Health Organization's review of wasting guidelines and worked with UNICEF to provide expertise and advice on simplified approaches to the treatment of wasting.

THE EMERGENCY FUND[†]

Some emergencies capture more 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, the Save the Children movement launched the Emergency Fund. This central, flexible fund allows us to distribute resources quickly and efficiently in response to disasters that don't make the news. It means we are ready to respond when disaster strikes or when situations deteriorate in the volatile contexts in which we work. In 2022, the Fund supported over 24.4 million people through flexible funding of \$82.2 million, ensuring that children and families in crisis received humanitarian assistance where and when it was needed most.

For example, in Colombia, the Emergency Fund allowed Save the Children to support those affected by internal conflict. This included providing hygiene kits, food, and psychosocial support for children who had been displaced. Save the Children also raised awareness of the risk of recruitment and use of children by illegal armed groups.

[†] Previously referred to as the Children's Emergency Fund.

STRENGTHENING INCOMES TO IMPROVE CHILD NUTRITION

Many poor households often can't afford a diet that meets the nutritional needs of children, adolescent girls, and pregnant and breastfeeding women – even when they're not facing crises. We are helping families improve their diets by increasing their incomes and improving their nutritional practices.

BANGLADESH: SUCHANA

In Sylhet in northern Bangladesh, we are leading the seven-year Suchana programme to improve the nutrition of children under two and reduce high rates of stunting in two districts.

The programme aims to support vulnerable households to reach a more secure status, where they can afford a nutritious diet and follow recommended feeding practices for their children and themselves. It includes a wide range of activities, from advice and breastfeeding counselling, vitamin A distribution, growth monitoring and treatment of malnutrition. We promote new horticulture and aquaculture methods to improve food production, including technologies to help farmers adapt to the effects of the climate crisis. These measures are backed up by boosting savings and access to loans and making sure families can access social protection.

Monitoring conducted between March and May 2022 found that of 62,500 households active in the programme, 38% were already assessed to have 'escaped poverty' and 45% were on track to do so by the end of the programme. With six months remaining, only 2% were unlikely to do so.

In Bangladesh, girls are often married before their 18th birthday. Marriage is often seen as the best option when families can't afford to feed their daughters, and girls are not allowed to work outside the home. But marriage is often followed closely by pregnancy, and this is risky for both mother and child. Children with adolescent mothers have a higher risk of malnutrition than those with older mothers.

Suchana is funded by the EU and UKAID and run in partnership with [Helen Keller Intl](#), [World Fish](#), [International Development Enterprises](#), [Friends In Village Development Bangladesh](#), [RDRS Bangladesh](#) and [Center for Natural Resource Studies Bangladesh](#).



Mum Rojina learned how to keep her two children well fed and healthy through our Suchana programme in Bangladesh.

PHOTO: TOM MERLION / SAVE THE CHILDREN

That's why the Suchana programme also has a focus on supporting girls to build their skills so they can both earn their own income and advocate for delaying marriage in their communities.

In 2022, we worked alongside more than 51,800 adolescent girls. Through group sessions led by girls themselves, we helped train them in life skills – such as negotiation, decision-making and problem-solving – and business skills – such as shopkeeping, clothes making and livestock rearing.

OVERCOMING COST BARRIERS TO A HEALTHY DIET

More than a third of children under five in Nigeria's Oyo state are stunted due to chronic undernutrition in their early years.

In February we worked with the government of Nigeria and the World Bank to tackle the cost barriers to improving the diets of young children using our Cost of the Diet tool. We developed 20 nutritious [recipes](#) using cheap, locally available foods. Ranging from moringa and cowpea stir-fry to spinach and crawfish soup, the dishes cost between 30 and 86 naira (6p to 16p) per portion to make. The World Bank and the Government of Nigeria are now assessing the potential to scale up the intervention across other Nigerian states.

RESILIENT HEALTH SYSTEMS

BRINGING VACCINATION TO REMOTE REGIONS

Vaccination saves children's lives. But in remote areas in Ethiopia, home to semi-nomadic people, immunisation coverage remains low.

This year saw the conclusion of our five-year project with GSK and the government of Ethiopia to increase access to vaccinations for children in these areas. We worked with eight partner communities in two groups and have seen spectacular results. For example, the number of children across the whole programme who had received the first dose of the pentavalent vaccination increased from 43% to 89%.[†]

The communities covered by the programme are now much more likely to seek out healthcare: 85% of children in Group 1 had received all three doses of pentavalent vaccines by the right age, compared with just 20% when we started the programme, highlighting a reduction in vaccine 'dropouts'. And we have not recorded a single outbreak of vaccine-preventable disease in the eight communities during the project.

Vaccination coverage is still lower than in better-off regions of Ethiopia and falls far short of the government's target of at least 80% full immunisation coverage. But these results show that with concerted efforts and tailored approaches, immunisation rates can improve rapidly even in poorer, hard-to-reach parts of the country.

MENTAL HEALTH SUPPORT FOR MOTHERS

Conflict drives hunger – and Yemen is a case in point. Malnutrition rates in the war-torn country are among the highest in the world. One in five children are acutely malnourished.

Mothers of young children face huge difficulties in daily life. Stress and anxiety deeply affect their mental health and sometimes undermine their ability to provide nurturing care and nutrition for their young child.

In response, we have helped develop a pioneering new training package for health workers who work with parents and caregivers. It combines training on maternal mental healthcare and good practices in feeding children and babies.

The approach significantly increased the skillset of child specialist nurses, midwives, doctors and staff in government health services, which will help improve care for thousands of children. The Yemeni Ministry of Health is now introducing it into its own healthcare services, so mothers and their babies across the country will benefit. And Save the Children teams in Bangladesh, Lebanon, occupied Palestinian territory and Somalia are among those now planning to adopt this approach too.

IMPROVING PNEUMONIA TREATMENT

Nigeria has one of the highest rates of deaths of children under the age of five: out of 1,000 live births, 100 children do not make it to their fifth birthday. Our flagship INSPIRING programme, which started in 2019, aims to speed up progress towards eliminating preventable deaths from infectious diseases, particularly pneumonia, the single largest infectious killer of children under five.

A key part of the programme has been improving access to quality healthcare for children with pneumonia in the state of Lagos. We wanted to understand whether expanding access to oxygen therapy, alongside healthcare worker training, improves the quality of care for under-fives with pneumonia.

We worked with 16 health facilities: seven government health centres, seven private health centres and two hospitals. We introduced pulse oximeters and medical-grade oxygen where these were unavailable, trained health workers and supported them throughout the project.

Before the project started, only 10% of children diagnosed with hypoxemia (low oxygen levels) were treated with oxygen. This doubled to 20% during the project. The increase was even more marked in government health centres, where the proportions increased from 1% to 17%. This will have significantly improved the life chances of children with pneumonia who came into health centres.

While a lot remains to be done to improve the quality of care of children in Lagos, these results show that the INSPIRING programme has significantly improved access to oxygen, an essential medicine too often out of reach for the children who need it, and has influenced policy and practice on pneumonia treatment in Lagos state.



A health worker administers a vaccine at a school in a remote community in Jigawa State, Nigeria.

[†] The pentavalent vaccination is a 5-in-1 vaccination, protecting against diphtheria, tetanus, whooping cough, Hepatitis B and haemophilus influenzae type B (Hib). It is often used as a proxy for access to immunisation services in general.

A SAFE RETURN TO SCHOOL

9.2 MILLION CHILDREN

reached through our movement's education programmes in 2022

Education is every child's route to a life that fulfils their potential. Education allows children to learn and develop, and can protect them from poverty, violence and abuse. But too many children are missing out.

Even before the COVID-19 pandemic, 258 million school-aged children were denied their right to education. And when children are in school, they can't learn basic skills like

literacy and numeracy if their teachers aren't trained and equipped to teach them.

The pandemic has exacerbated the inequalities in education, with children in low-income and conflict-affected countries being the most likely to not be in school or learning. We keep a particular focus on those most affected by inequality and discrimination – including girls, children with disabilities, refugees, migrating and displaced children, and those from the lowest-income households.

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.

BACK TO SCHOOL AND LEARNING

In Sierra Leone, school closures affected the learning of 2.6 million children.

Through our partnership with the Global Partnership for Education, Save the Children led a consortium of local and national NGOs to support the Ministry of Basic and Senior Secondary Education's ambition to encourage children to return to school, strengthen distance education provision, and ensure schools reopened safely.

We provided back-to-school kits to 7,118 children (of which 3,659 were girls) and devices such as glasses, crutches and wheelchairs to 857 children with disabilities (of which 415 were girls). We provided training on socio-emotional learning and psychosocial support, as well as on how to help children support their peers to return to and stay in school.

We also supported children who were at high risk of not returning to school, such as adolescent girls.

One 14-year-old girl who fell pregnant and withdrew from school said: "I thought I wouldn't go back to school to pursue my dream because all hope was gone, but with the support I received I can now go back to school with dignity, just like other children."

Schools were provided with solar-powered radios, helping 84% of children targeted by the programme to access distance learning, compared to just 33% when the project began. More than 1,000 after-school catch-up clubs were set up, targeting children with lower learning outcomes, and 35,000 children (of which 17,374 were girls) used these to regain the learning they'd lost during the pandemic. At the end of the project 44% of these children were able to read a paragraph and 60% were able to do simple sums (compared to 0% and 2% respectively before). Both boys and girls said that the clubs increased their confidence and ability to do maths.

The consortium featured equitable representation and inclusion at all levels. The learning and results from this project will inform future education policy and practice in Sierra Leone.

“I have never felt so respected as a local NGO as I do now in this consortium of equals. I cannot ask for more.”

Kelfa Kargbo, Country Director, Street Child

KEEPING CHILDREN STUDYING

When COVID-19 closed schools across the world, it compounded and created threats to many children's safety and wellbeing. Being out of school increases the risk children face of violence and abuse at home. It makes them more likely to be forced into child labour and child marriage, or even to be recruited into armed groups.

When schools reopened, children who'd faced violence and abuse during lockdown were less likely to return, more likely to be behind in their learning, and more likely to drop out shortly after returning. Girls have been hit the hardest. Today, an estimated 20 million girls, particularly adolescents, may never return to school. They are at heightened risk of child marriage, adolescent pregnancy, female genital mutilation, and other forms of gender-based violence – all of which have devastating impacts on their wellbeing and ability to reach their full potential.

Yet, school closures made it harder for teachers to identify why a child has dropped out of school and what support might enable them to return.

This year, we led experts across the movement to develop a new approach called CONNECT. It aims to link school attendance tracking with the management of individual cases and the provision of financial help to enable families to send their children back to school.

In Malawi, Burkina Faso, Pakistan and Bangladesh, CONNECT helped school staff identify individual children who did not return when schools reopened or who were at risk of dropping out because of child protection or financial issues at home.

CONNECT reached 27,260 children between the end of 2021 and the middle of 2022, of which 8,542 received direct support. In both Bangladesh and Burkina Faso, every one of the children targeted through CONNECT returned to school. In the areas CONNECT covered in Bangladesh, school attendance increased and the number of children engaged in child labour fell from 49% to 9% between November 2021 and June 2022.

The approach proved a huge success, thanks in large part to the way different teams and partners worked together to maximise its impact for children.

A RESOURCE FOR GIRLS' EDUCATION

Working with education colleagues across the global Save the Children network, we led the development and launch in 2022 of a [technical package](#) of tools, evidence and good-practice guidance to drive up the quality and impact of girls' education. The package collates best practice from across the global movement and is an open-source, user-friendly and comprehensive resource to promote high-quality girls' education.

TRANSFORMING EDUCATION IN EMERGENCIES

Education is a fundamental right for every child and that right does not end in times of emergency.

This year, Save the Children published our updated [Risks to Education Index](#). It found that four countries – Afghanistan, Sudan, Somalia and Mali – were at extreme risk of ongoing and future crises disrupting education, due to the impact of COVID-19, the climate crisis, displacement and a lack of digital connectivity.

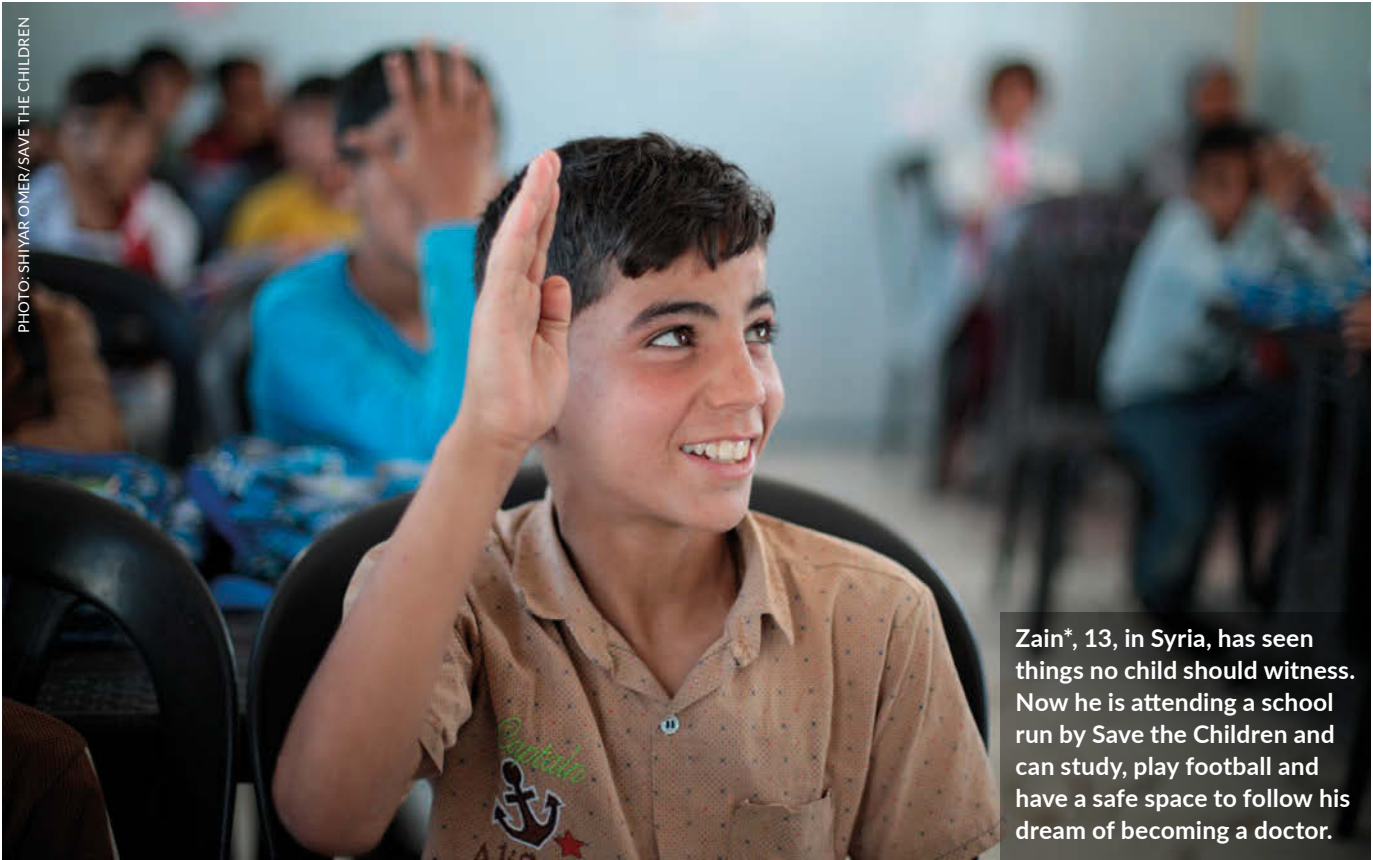
We used the index to shine a spotlight on the numerous threats many countries face in delivering quality education, and to encourage governments to commit further funding in 2023 to Education Cannot Wait, the UN's billion-dollar fund for education in emergencies and protracted crises. Thanks to our influence, the Education Cannot Wait strategy for 2023–2026 includes many commitments in our priority areas, such as climate, disaster preparedness, support for teachers, localisation and the hunger crisis.

THE COMPREHENSIVE SCHOOL SAFETY FRAMEWORK

Save the Children is working in partnership with [GADRRRES](#) (Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector), with support from the Prudence Foundation, to develop global policy and practical guidance on how to strengthen education systems so children's learning is protected in the face of challenges such as the climate crisis, health crises, conflict and displacement.

We launched the revised Comprehensive School Safety Framework in September. The launch included a webinar featuring children demanding urgent action.

In 2022, we persuaded the Global Partnership for Education, Education Cannot Wait and the Global Coalition to Protect Education from Attack to endorse the Framework.



A NEW FUND FOR IRAQ

In February, we established a new fund to allow five Iraqi NGOs to take more of a lead on education in emergencies work.

The fund gave the NGOs the flexibility to introduce their own initiatives within the education sector. Save the Children also provided training to improve key elements of their organisation, including finances and child safeguarding. According to the NGOs, the fund has given them more influence within the education sector, made them better able to support their communities, and improved the way they function. It helped the NGOs improve the education of over 5,000 children, approximately 60% of whom were girls.

Our partners in Iraq

- Darya Organization for Developing Women and Community
- Mercy Hands for Humanitarian Aid
- Sorouh for Sustainable Development Foundation
- Voice of Older People and Family
- Women Empowerment Organization

CLIMATE-PROOFING SCHOOLS

The changing climate is threatening children's right to quality education. We have drawn on our expertise from the Asia-Pacific region to strengthen our global approach on the climate crisis and education, and to influence the sector at large.

Our Comprehensive School Safety Ecosystem Framework, run in partnership with Prudence Foundation and the Philippines Department of Education, helped protect Filipino children from climate-related crises and other hazards, and allowed them to participate in ensuring school safety themselves. It was recognised by the prestigious UN Sasakawa Award.

Building on this experience, we supported a GADRRRES (Global Alliance for Disaster Risk Reduction and Resilience in the Education Sector) live event at the COP27 climate summit in November. The event, called 'Protecting education systems against the impact of climate change' featured children, young people and high-level speakers from UNESCO, the Green Climate Fund, the Global Partnership for Education, Prudence Foundation, Save the Children, and more. It aimed to increase awareness about the impact of the climate crisis on children's education and encourage further support for the Comprehensive School Safety Framework to protect schools and learners in more countries.

RESTARTING EDUCATION IN UGANDA

The COVID-19 pandemic saw two years of school closures in Uganda – the longest in the world – leaving 15 million children out of the classroom. We worked with nine partners on an Education Cannot Wait-funded programme to support the reopening of all the country's schools. We

successfully piloted the use of a remedial approach, called 'teaching at the right level', which targets learning to meet a child's individual needs, and therefore helps them to learn faster and more easily. This approach supported more than 138,000 children.

INTEGRATION IN EARLY YEARS EDUCATION

In Tanzania, many children don't get the good-quality pre-primary education that lays the foundation for future learning and development.

Our Tuwekeze Pamoja project, run with our partner Actions for Development Programs Mbozi, set out to change this. Together, we are piloting low-cost approaches to improving early childhood support, focusing on the most economically or socially disadvantaged children and those with disabilities.

We provided group parenting sessions and home visits for caregivers, trained local government staff, education officials, teachers and communities, and promoted positive gender attitudes and a reduction in the prevalence of violence.

The project reached 13,249 caregivers of young children and pre-primary teachers in 47 schools, as well as 141 school leaders and 187 local and national officials. 12,673 children (of which 6,483 were girls) directly benefited from these activities.

The project has made a measurable difference to children's development. Of the children the programme reached,

69% scored at or above benchmarked milestones at age three compared to 51% of those not supported by the project. Children aged between four and six whose caregiver participated in the programme had higher average development scores than those whose carers were not involved.

The project helped parents and caregivers better understand how to support their young children's development. Fewer caregivers and teachers now support the use of physical punishment to discipline children, and by the end of the project, children were having more positive and stimulating interactions with their fathers.

The project will have a lasting impact. 39% of pre-primary teachers reported improvement in two-thirds of the targeted competencies. Teachers also reported that the project helped them to better identify and support children with different learning needs. 71% of the villages that benefited from the programme have now included early childhood development in their village development plans – prior to the project, not a single village had included it.

ADVOCACY TO CLOSE THE EDUCATION FINANCING GAP

An estimated extra \$200 billion is needed annually to achieve the 2030 Sustainable Development Goal of a quality education for all children. That's why advocating for more and better financing for education is a key priority for Save the Children.

In October 2022, we published [Fixing a broken system: Transforming Education Financing](#), a new report exploring the trends in education financing. The report examined the impact of COVID-19, conflict and the climate crisis on current and future education funding, as well as the role of

worsening national debt burdens. We found that one-third of low-income and lower-middle-income countries spent more on servicing external debt in 2020 than they did on education.

In the lead-up to the Transforming Education Summit, we used the recommendations from this report to influence the summit's consultation process on education financing. The financing discussion paper and the [Call to Action](#) both adopted many of our key messages and recommendations.

A CHILDHOOD FREE FROM VIOLENCE

3.8 MILLION CHILDREN

reached through our movement's child protection programmes in 2022

Every child should grow up safe and supported. Yet many children's lives are blighted by violence and abuse.

230 million children are living in high-intensity conflict zones. We work to protect children who are being bombed, shot, starved, raped and often left with no escape from violence – and to enforce the global standard that children should always be off-limits in war.

Our advocacy work has won an important global agreement to protect children from explosive weapons, and extended support for keeping schools safe.

Around the world, girls are at risk of early marriage and other forms of gender-based violence. We are supporting girls and working with them to build their agency to stand against violence in their communities. And we make sure children's own voices are heard by those in power.

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.

PROTECTING CHILDREN IN CONFLICT

UKRAINE

When conflict escalated in Ukraine in February 2022, children's lives were turned upside down overnight. Airstrikes and explosions damaged homes, hospitals, schools and critical infrastructure, cutting off water and electricity. Children and families were trapped in besieged cities or hiding in underground bunkers. More than 7.5 million children across Ukraine were in grave danger of physical harm, severe emotional distress and displacement.

Millions of people have fled to other countries; in the first 100 days of the conflict, almost two-thirds of children were forced to flee their homes.

We've been supporting children and families in eastern Ukraine since 2014. This means that our national teams were ready to respond within the first days of the conflict. They distributed food and essential items to families in dire need, and launched child protection and support services as soon as possible.

From the start of the escalation until the end of 2022, we helped more than 800,000 people, including 430,000 children, in Ukraine. We've also helped almost 20,000 children in Poland, 93,000 children in Romania, and 20,000 in Lithuania. See page 25 for more information on how we have supported the response in the UK.

Working together

We can't do it alone. Our partnership with Amazon in particular was invaluable. Within hours of the conflict escalating, we launched a joint response that made strategic use of their expertise and resources. As well as making corporate donations, Amazon launched an employee matched-giving initiative and a fundraising

appeal to their customers. They sourced vital humanitarian supplies both through their vendors and by helping us create wishlists of items that customers could buy for the response. Amazon also donated over 100,000 books and provided pro-bono technical support across translation, education and logistics.



Marta*, 3, Alona*, 6 months, and their mum fled to Romania when Ukraine was engulfed by violence.

In Ukraine, we worked with 27 local partner organisations to:

- give food, water, fuel, heaters and essential supplies like toothbrushes and soap to families who'd fled their homes, as well as toys, games, books and activities to keep children entertained and support their mental health
- give families cash so they could buy what they needed – warm clothes, medicines, or food – it's up to them to decide
- help reunite lost children with their families and set up safe spaces for them to play and recover.

In nearby countries, like Lithuania, Romania and Poland, we:

- gave food, clothes and supplies to families who'd made incredibly long journeys, including advice to help them settle into their new community or asylum advice for their onward journey
- helped children catch up on missed learning through language classes run by our education and mental health specialists
- ran summer schools, giving children and young people a safe space to learn, play, make friends, and just be children again.

We'll continue to stand with children and families affected by this crisis, helping them recover and rebuild their lives.

PROTECTING CHILDREN FROM BLAST INJURIES

Children are particularly vulnerable to the effects of explosive weapons such as mortars, rockets and grenades. They are more likely to die from blast injuries than adults and are more susceptible to brain injury. In war zones, people under seven years old are twice as likely to suffer a head injury than those over seven.

We have long campaigned against the use of explosive weapons in areas where civilians live. In November, we celebrated success when 83 countries officially endorsed the Political Declaration on the Protection of Civilians from the Use of Explosive Weapons in Populated Areas. This was the culmination of a decade-long advocacy effort led by the International Network on Explosive Weapons, of which we're a founding Steering Group member, the International Committee of the Red Cross and the UN, and almost three years of diplomatic negotiations led by the Irish government.

The heart of the declaration is an agreement to restrict and refrain from the use of explosive weapons in populated areas. It cites the particular vulnerabilities of children – our key focus area.

A VITAL RESOURCE FOR MEDICS IN UKRAINE

With support from the World Innovation Summit for Health, we translated the [Paediatric Blast Injury Field Manual](#) into Ukrainian. This comprehensive guide to injuries suffered by children from weapons like bombs, artillery and landmines is designed for medics in war zones, who often lack specialist training. It was published in 2019 by the Paediatric Blast Injury Partnership, a coalition of doctors and experts founded by Save the Children and Imperial College London.

The manual features step-by-step instructions that cover situations ranging from resuscitating children on the battlefield and saving limbs to rehabilitation and psychological care.

The Ukrainian Ministry of Health requested 8,000 copies and training support.

MOBILISING SUPPORT FOR AFGHANISTAN

In February, with the crisis in Afghanistan still raging, we worked to persuade the UK government to convene a humanitarian pledging conference and fund its fair share of the \$4.4 billion the UN needed to address the disaster.

The pressure was created by more than 26,000 people who signed our petition – run in partnership with Global Citizen and Christian Aid – and the celebrity influencers who shared it. Our Chief Executive Gwen Hines appeared on Radio 4's Today Programme to talk about the situation for children in Afghanistan and, with other organisations, we wrote open letters to the then Foreign Secretary, Liz Truss MP, to raise the issue up the political agenda.

PROTECTING AND EMPOWERING GIRLS

We believe in a world where every girl has the power to determine her own future.

In 2022, we brought together a girls' reference group to inform our approach to giving adolescent girls the support they want to build their own feminist movements. In consultations, girls emphasised the importance of putting disability rights at the centre of our work, including girls from crisis-affected contexts, and building connections and taking strength from approaches based on 'joy and care'. We're now putting this guidance into action, beginning with mapping girls' networks in crisis-affected Yemen.

Gender-balanced humanitarian response teams are critical to ensuring that, women and children – particularly households headed by women – can access services in a crisis. They also reduce the risk of sexual exploitation and abuse. In South Sudan, we supported women's rights organisations to lead workshops with our humanitarian staff and partners to develop guidelines to make sure they recruit, retain and promote female humanitarian workers.

PUTTING GIRLS' EMPOWERMENT AT THE CENTRE OF OUR PROGRAMMES

In 2022, our Girls as Drivers of Change programme in Uganda was extended to a new cohort of more than 300 girls and boys, after a successful pilot phase. The programme aims to put girls' agency and voices at its heart. It works to promote girls' leadership, build skills and knowledge, and support girls to design and lead their own interventions to champion girls' rights in their communities.

An evaluation in 2022 showed that in its pilot phase (2019–2021), the project led to a 20% increase in the girls' empowerment, measured on an index which assessed changes in their confidence, agency and participation in the community. We also saw an increase in girls speaking out about the issues they face and their rights within their families and communities.

The pilot phase also showed the need for engaging the wider community with the programme. That's why in 2022 we invited boys to take part too, with the hope that this will increase their understanding of gender issues and help to dismantle harmful stereotypes. The first phase of the programme, getting to grips with the curriculum, has covered a range of topics including gender assumptions, violence and education for girls.

THE GIRLS' IMPACT FUND

The [Girls' Impact Fund](#) invests in girls' empowerment and gender equality. It paves the way for a new approach to how we support girls, channelling specific funding and activities designed for, and with, girls. In September, the Girls' Impact Fund was recognised at the UN General Assembly as exemplifying efforts to support 'feminist leadership'.

This fund is financed by our Women's Network, a chapter of our global female philanthropic movement, 100 Strong, which brings together women who are passionate about gender equality to connect, learn, advocate and commit funds.



PHOTO: ESTHER MBABAZI/SAVE THE CHILDREN

Ayen*, 15, from South Sudan, attends an adolescents' group where girls learn about issues like child marriage and gender-based violence.

CHILD PROTECTION

In Madagascar, we worked to strengthen people's understanding of child protection and the local systems required to keep children safe from violence, abuse and exploitation. We carried out awareness-raising campaigns, including through radio broadcasts, as well as capacity sharing with civil society representatives and government bodies responsible for child protection. And we trained 268 community champions to recognise and report any child protection violations in their communities.

In mid-term evaluation findings, we found that understanding, skills and knowledge on child protection had risen at both community and local government levels. Tests conducted before and after community awareness-raising sessions showed that knowledge had improved from 35% to 70%.

Since we supported the introduction of standardised community-level reporting formats, more child protection cases are being reported, particularly violence and abuse against younger children, which were previously hidden from local authorities.

Community champions and young people are also participating in inter-generational dialogue sessions, exchanging views and opinions, and the regular interaction strengthens the link between different groups in the community.

“Before, we never knew that children have rights but now, we do.”

Adult community member

VIOLENCE IN AND AROUND SCHOOLS

SAFE SCHOOLS

Schools should be a haven for children – somewhere they can learn and play in safety. Yet, millions of children growing up in conflict zones are denied access to a safe education.

In 2022, Save the Children worked with Plan International, Human Rights Watch, UNICEF and others through the Global Coalition to Protect Education from Attack to publish and promote [Education Under Attack 2022](#). This report reveals that more than 9,000 students, teachers and academics have been killed or injured in attacks on schools and other educational facilities during armed conflict over the past two years. It describes how such attacks are on the rise in countries including Burkina Faso, Ethiopia, Mali and Nigeria.

A single attack on a school is likely to cause devastating physical and emotional injuries to children. It can also deprive hundreds of students of the chance to receive a good quality education. Sometimes, a community's only place of learning is destroyed, and the long-term impact can be enormous.

That's why we worked with partners throughout 2022 to push for states to endorse the Safe Schools Declaration. Signatories commit to refrain from any military-related use of educational facilities, to investigate attacks and to hold perpetrators to account. Three states – Tunisia, Republic of the Congo and Colombia – signed up in 2022, taking the number of signatories to 116. And we worked with governments in Nigeria, Somalia and elsewhere to help them live up to the commitments they had made, including by training armed forces and raising community awareness of the issue and solutions.

ENSURING CHILDREN'S VOICES ARE HEARD

It's vital that children's voices are heard when matters affecting them are discussed and decided.

In 2022, we supported young people who have lived through conflict in Yemen, Somalia and South Sudan to share their experiences with the UK's Minister for Children and Armed Conflict, Vicky Ford MP.

And through our work with the CSO Forum, we helped make sure this happened when more than 2,000 people from 143 countries – including heads of state, UN leaders,

children, survivors of childhood violence, royalty, business CEOs and celebrities – came together at a high-level Global Partnership to End Violence Against Children leaders' event in June. Ahead of the event, a group of young advocates came together to agree what action they wanted to see result from the event. The CSO Forum supported four children: Dola from Bangladesh, Harouna from Mali, Madina from Nigeria and Natasya from Indonesia, to participate in the meeting and deliver the calls to action to world leaders.

RESILIENCE TO COPE IN TOUGH TIMES

Our research reveals that 774 million children around the world are both living in poverty and exposed to very high climate risk. Conflict and COVID-19 have exacerbated the dangers. Together, these interlinked threats are depriving children of health, homes, security and prospects for their future.

In 2022, we worked with families and communities around the world to help them cope with the challenges they face. We protected their livelihoods and helped them become

more financially secure. We supported children to advocate to the international community. We worked with others to increase our impact. And we took steps to reduce our own greenhouse gas emissions and environmental impact.

Our projects to support children and families 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.

COMBATTING A CLIMATE CRISIS

FLOODING IN PAKISTAN

In the summer of 2022, heavy rains across Pakistan led to the worst flooding in decades. Around a third of the country was underwater at one stage and 33 million people, including 16 million children, were badly affected. Tragically, by mid-November more than 1,700 people – including at least 647 children – had lost their lives, and nearly 13,000 people had been injured. More than 2 million homes were destroyed or damaged, leaving many children without clean water, warmth and shelter. Schools, health centres and people's livelihoods – their means of recovery – were ruined.

Scientists attribute the torrential rains to worsening weather patterns as a result of the climate crisis, and the UN Secretary General called the situation a “climate catastrophe”.

The children of Pakistan are among the least responsible for creating the climate crisis, but they are feeling its full force. The greatest impact of the flooding has been on Pakistan's poorest districts and most vulnerable communities – including an estimated 3.5 million Afghan refugees, people who had very little to begin with. Children, especially girls, are particularly vulnerable.

Our response was entirely led by our partners, local organisations across the four worst affected provinces. So far, we've helped more than 133,000 people, including 69,000 children.

Together, we provided families with food, shelter and essential items. We set up mobile health units, including standalone clinics in remote areas so that doctors, nurses,

midwives and other specialists can reach children and women who would otherwise have no access to healthcare. We also supported government health facilities with staff and equipment, as well as training community health workers.

We set up spaces where children can continue to learn in a safe environment. We provided learning materials to vulnerable children to help them stay in school, and training for teachers and the wider school community on topics such as multi-grade teaching and psychosocial support.

We know that the climate crisis will continue to trigger extreme weather conditions and make natural disasters more frequent and severe. At the COP27 climate summit in November 2022, we advocated for climate justice, to help families in Pakistan and across the world in the longer term. Read our statement [here](#).

SUPPORTING GREEN LIVELIHOODS

More than a million people live on or around Cambodia's Tonle Sap, the largest freshwater lake in south-east Asia. But rising temperatures, drought, pollution, overfishing by commercial trawlers and environmental damage have led to a dramatic fall in the fish stocks that many people rely on for their livelihoods.

Our four-year 'GREEN project' is jointly funded by the European Union and global law firm Norton Rose Fulbright, and is implemented in collaboration with communities and local authorities in the East Tonle Sap Lake region. In 2022,



Children arrive at school by boat on Tonle Sap lake, Cambodia, where we are supporting families to diversify their income through green initiatives.

we supported children to access education and worked with families to diversify their income sources through green initiatives. This has included supplying life rings and lifejackets to over 70 preschools and primary schools and starting an eco-initiative to reduce schools' environmental footprint and nurture environmental learning and climate action among children, teachers and the community.

We also launched a 'green incubator' programme. Women and young people were invited to take part in three days of enterprise development training. They then had the opportunity to apply for seed funding to support their green initiatives. Business ideas included eco-dishwashing liquid, second-hand boat engine repairs, community eco-tourism and ways to grow vegetables safely.

DATA SUPPORTING EARLY RESPONSE

PREDICTING FOOD SHORTAGES

We know that acting ahead of a crisis, based on forecasts or early warnings, [can protect people and their livelihoods](#), and is more cost effective than waiting till disaster hits.

Good quality data is essential to forecasting. [The Jameel Observatory for Food Security Early Action](#), which we launched in partnership with the University of Edinburgh, the International Livestock Research Institute, the Abdul Latif Poverty Action Lab at MIT and the Community Jameel Foundation, is already generating vital data to support solutions. In 2022 the Observatory enabled us to predict and prepare for climate-related food shortages in dryland areas in East Africa. See page 7 for information on how we responded.

The Observatory also commissioned research to track how different governments, UN bodies and non-governmental organisations were responding to early warning information about drought in the region. The evidence we gathered fed into [Dangerous Delay 2: The Cost of Inaction](#), a report

published by Save the Children and Oxfam in May. The report called on governments, the UN and non-governmental organisations to respond at the earliest signs of a crisis, as well as to tackle the root causes of those crises.

EMPOWERING DECISION-MAKERS

Our [Household Economy Analysis](#) approach tells us whether different types of households have the food and cash they need to survive and invest in their children's wellbeing. We can use this information to model how events such as poor rainfall or increased market prices will affect family budgets – and how we can best help families cope with food shortages.

In 2022 we worked with governments and civil society organisations in 11 countries across West Africa to expand their technical skills in using the approach as an early warning system. And we used the wealth of data we've helped generate over the past decade to conduct a study into how the climate crisis is affecting families' livelihoods. What

we discover will inform our future work to promote climate-resilient livelihoods.

We also provided technical expertise to long-term resilience-building programmes in conflict-affected Mali, Burkina Faso and Niger. We worked with national and international partners in the region to increase social cohesion and boost the ability of families and communities to cope with the impacts of armed conflict, the climate crisis, poverty and inflation. And we provided cash transfers, loans and savings groups for young people and women.

In March we predicted that the availability of food was likely to rapidly deteriorate, due to a combination of poor rainfall, rising prices, and conflict and gave households cash to help them cope with this.



HOPE FOR THE NEXT GENERATION

The climate and inequality crises aren't just a threat to the future. For the world's 2.4 billion children, they are emergencies today. In October, we launched *Generation Hope* – our campaign with and for children, calling for urgent action on the global climate and inequality crises.

To help shape the campaign, we supported colleagues across the global movement to conduct our biggest-ever listening exercise with children. We heard from over 54,000 children from more than 40 countries, through in-person and online conversations, as well as surveys in 15 countries.

What children told us confirmed the scale of the crisis, and the severe impact it's having on children's rights. 83% of the children who took part in the surveys told us they have noticed either the climate or inequality crises affecting the world around them, and 73% believed adults should be doing more to tackle these issues. In the UK, 70% of the more than 3,000 children we spoke to are worried about the world they will inherit.

INVESTING IN YOUNG PEOPLE'S LIVELIHOODS

Since 2016, we have worked with private sector partners Unilever and Symrise, as well as German development agency Gesellschaft für Internationale Zusammenarbeit, to support children from vanilla-farming families in Madagascar. We are piloting village saving and lending associations for 1,925 young people, adding to the associations we've already set up for adults. The associations aim to help young people develop a saving and investment mindset to help prepare them for adulthood.

So far, 985 young people – 635 girls and 350 boys – have enrolled in 72 saving and lending groups, which

2.4 BILLION REASONS

We profiled the rich insights that children shared with us in a flagship report, [Generation Hope: 2.4 billion reasons to end the global climate and inequality crisis](#). It was launched ahead of the COP27 and G20 summits in November, with a view to making children's voices and demands heard by decision-makers.

The report contains new analysis of the numbers of children affected by the overlapping issues of poverty and climate, for the first time using sub-national data to gain deeper insights. The analysis combined new climate modelling by Vrije Universiteit Brussel with child poverty estimates developed through our research partnership with UNICEF. We found that 774 million children are affected by both poverty and high levels of climate risk.

The report was covered by more than 400 media outlets in over 50 countries, and supported campaign launches across the world.

are already showing exceptional results. For example, by November 2022, one group of 19 members was on track to accumulate annual savings of 18 million ariary (£4,129). A mid-term review conducted in 2022 showed that:

- 39% of the young people in the project area already use an association as a credit facility
- 84% use one as a saving facility
- 18% use one to take up new or improved livelihood opportunities, such as poultry rearing.

PHOTO: SHONA HAMILTON/
SAVE THE CHILDREN

Save the Children campaigners visited the foreign secretary's constituency to demand action on climate change and economic inequality.

ADVOCATING TO THE UK GOVERNMENT

In the UK, we worked with partners to support the Climate Coalition's Great Big Green Week in September – an annual event of community action to tackle the climate crisis and support nature. Our Youth Advisory Board, supporters and shops helped raise awareness of the impacts of the climate crisis on children and what children want from a greener future, including through a letter-writing campaign that led to one of our Youth Advisory Board members attending a meeting with Labour leader Keir Starmer, and other NGOs.

In October, we ran campaign events in the Foreign Secretary James Cleverley's constituency to call on him to increase the UK's ambitions for the COP27 and G20 summits. We demonstrated local concern on the issues by securing local media coverage of constituents writing messages to the Foreign Secretary. At events in parliament and at the Conservative Party Conference, we supported children from communities worst affected by the climate emergency to communicate directly with politicians and push for action from the UK.

SPEAKING OUT AGAINST AID CUTS

Since the announcement of cuts to UK aid in 2020, we have spoken out about the impact they will have on vulnerable children across the world. We have advocated for the aid budget to be restored to 0.7% of gross national income.

When further cuts were announced in July this year, we published timely data and analysis, which supported our own advocacy and that of other organisations. Our analysis was quoted numerous times in parliament and in the media, helping to strengthen the case for a UK aid budget that meets children's needs at a time of global economic turmoil.

We are supporting global advocacy for children to be recognised as agents of change and have a meaningful seat at the decision-making table. We saw some progress at COP27, where the first-ever Children and Youth Pavilion provided a child-friendly space to amplify children's voices. And the summit's outcome statement formally recognised the role of children in addressing and responding to the climate crisis for the first time.

HUMANITARIAN LEADERSHIP ACADEMY

Save the Children UK set up the Humanitarian Leadership Academy (HLA) in 2015 to enable people to prepare for and respond to crises in their own countries, by offering high-quality learning opportunities. It provides everything from self-guided e-learning to in-person emergency training support to frontline responders and partners.

In 2022, the number of humanitarians using the HLA's online learning platform increased from 450,000 to 628,000. The HLA's online accreditation platform also saw a significant increase in users, jumping from 20,000 to 25,000. The majority of learners come from disaster-prone and disaster-affected areas.

When conflict escalated in Ukraine, the HLA began a major programme to support local humanitarians to build their skills to respond to the crisis. We also created a new HLA Regional Centre in Poland, which enables us to collaborate with other local and international humanitarians, and to drive new initiatives where they are needed. Working together with five other international non-governmental organisations, the HLA also created a Response Learning Hub to support emergency responses in Ukraine and Pakistan. The Hub offers hundreds of humanitarian learning resources for free, many of which are translated into Ukrainian, Polish and Romanian.

OUR WORK IN THE UK

If it matters to children and families, it matters to us. This is a key principle of our work. In England, Northern Ireland, Scotland and Wales, all our work is based on insights from the children, parents and carers we support.

Every child is full of potential. But children from poorer families are often at a disadvantage when it comes to their early development. This year, we worked to make sure that families living in poverty have what they need to keep their children safe, healthy and learning.

Our network of parent campaigners shared their experience with the media and decision-makers. And together, we

secured government support for families – feeding into national policy-making on issues including childcare bills, child maintenance, and the reform of the childcare system.

And when Ukrainian families fleeing the war arrived in the UK, we worked to ensure they had the best welcome. With local agencies, we provided them with vouchers and basic essentials. And we drew on our experience of helping children who have experienced war and trauma to train and support host families, teachers and social workers.

Please see page 26 for more information on Save the Children UK's work in Scotland.

CHILD POVERTY

As the UK's cost-of-living crisis deepened in 2022, it intensified the pressure on children and low-income parents in a country where more than a quarter – 27% – of children were already living in poverty.

In response, we stepped up our support for some of the families who need it most. We provided supermarket

vouchers, household products and early learning resources to over 2,400 families to ease the pressures they were facing and support young children's development and learning.

We also helped families share their stories in the media, and with decision-makers, to persuade the UK government to increase their support for those hardest hit by the cost-of-living crisis.

PARENT CAMPAIGNERS

Our parent campaigner network is a group of 12 parents on low incomes who created and shaped our campaigns with us throughout 2022. They led an online cost-of-living rally, did countless media interviews, and talked to policy-makers about what life is like for families on low incomes. They were also runners up in the [Sheila McKechnie Awards](#) 'amplifying voices' category – recognition they very much deserved.

THE SOARING COST OF LIVING

In the first half of the year, we successfully campaigned with the Joseph Rowntree Foundation-led Keep the Lifeline coalition and our amazing parent campaigners to secure a £37 billion support package from the UK government to help all households, but particularly the most vulnerable, with rising costs. This included a £650 cost-of-living payment for 8 million of the UK's poorest families, and a verbal commitment to raise benefit payments in line with inflation.

In March, one of our parent campaigners spoke to financial journalist and broadcaster Martin Lewis during a phone-in on ITV's This Morning, which led to his much-reported line 'I'm out of tools to help people now'. The quote went viral on social media.

In September, as prices began to skyrocket, the then Prime Minister Liz Truss refused to confirm whether a government commitment to increasing benefits in line with inflation would be kept. With families at breaking point, we argued that there should be no real-terms fall in benefits. We added our signature to open letters from Joseph



Parent campaigners met with Jonathan Ashworth, Shadow Secretary of State for Work and Pensions.

Rowntree Foundation, Working Families and Warm this Winter, and we supported families we work with to share how tough things are for them in the media.

Regular lobbying from Save the Children UK and our partners demonstrated that the benefit cap meant that some families were not getting the support the government intended them to receive. This helped to convince the Chancellor Jeremy Hunt to raise the benefit cap as part of the Autumn Budget package of support to families.

CHILDCARE COSTS INQUIRY

In 2022, the Work and Pensions Committee held an inquiry into childcare costs after our parent campaigners told them about problems with the support provided through Universal Credit. Universal Credit demands that parents pay their childcare bills upfront (sometimes over £1,000 at a time) before getting the money back over a month later. This means that many decide to either not work, or work fewer hours than they want to.

Both parent campaigners and Save the Children UK staff gave evidence to the Committee. The subsequent report, published in December 2022, said that government departments need to work together to find a way of preventing parents on low incomes having to pay big childcare bills upfront – ideally by creating a direct payment system modelled on others that exist.

In response to the report launch, the government stressed that high-quality, affordable and accessible childcare is a priority for them – a sign of the increasing consensus among politicians on the need to invest more in improving childcare for families. We have also developed a vision for a new childcare system – a Universal Childcare Guarantee – with the think tank Institute for Public Policy Research.

COVID-19 INQUIRY

In October 2022, we were selected as a core participant for the UK government's official COVID-19 inquiry, together with Just for Kids Law and the Children's Rights Alliance for England. This allows us to submit evidence and recommend lines of enquiry to the inquiry's team, to help show the impact of the pandemic and government policies on children and young people. We can also make recommendations about how the government can respond to future crises in ways that do more to safeguard children's rights and wellbeing.

Earlier in the year, we worked with other children's campaigners, MPs, peers and psychologists to successfully make the case that the impact on children and young people should be added to the terms of reference of this inquiry.

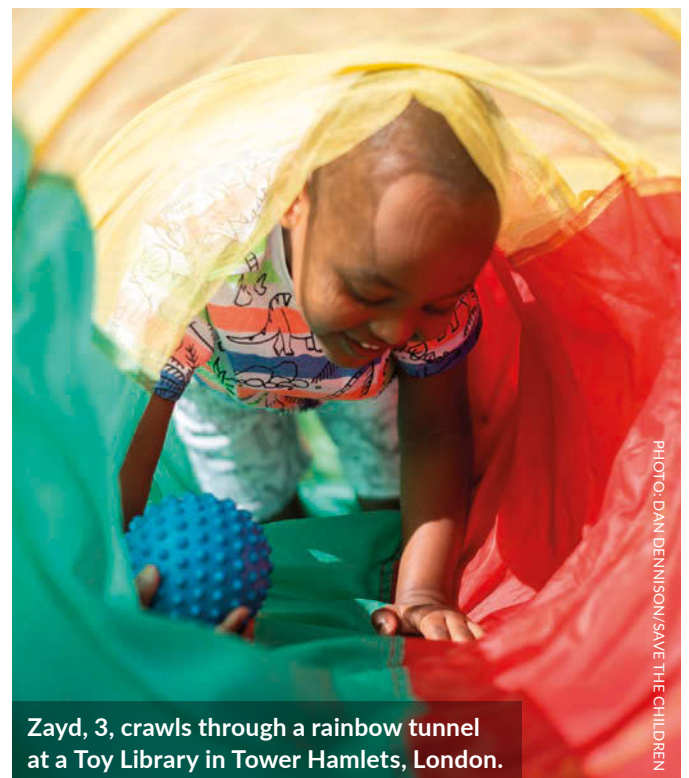
BEST START IN LIFE

Studies have found that children from lower-income households are around four and a half months behind children from higher-income households in terms of social and language skills when they start primary school, increasing to around nine months by the time they leave. Closing this gap is vital for making sure all children can thrive and fulfil their potential.

BRINGING COMMUNITIES TOGETHER FOR CHILDREN

We connect families, charities, schools, councils and other service providers to work together to ensure children from low-income families can have the best start in life. We then use evidence about what works to inform policy and practice right across the UK.

In East Belfast, Margate, Feltham, Newport and Sheffield, our Early Learning Communities focused on making sure every child can start school ready to learn. We also worked with local community groups in Cardiff, Manchester, and Tower Hamlets in London to close the attainment gap



Zayd, 3, crawls through a rainbow tunnel at a Toy Library in Tower Hamlets, London.



PHOTO: JUANAN EGUIGUREN/SAVE THE CHILDREN

Rhianna holds her six-month-old daughter Kya, during a parent workshop in Sheffield.

between children from low-income families and their better-off peers.

All our community work starts with listening to families to learn what really matters to them, where the gaps are in existing services, and new ways of helping children. While each community is different, some key themes have emerged from listening to communities in this way.

FAMILIES CONNECT

Our Families Connect programme builds on parents' skills and knowledge, giving them the confidence to support their child's learning at home. In 2022, we ran 117 courses, reaching an estimated 900 families with children aged between three and six years old.

Over eight weekly workshops, parents discuss aspects of their children's learning, and are introduced to activities, techniques and games that they can do with their children at home to support their social and emotional development, literacy, language and numeracy skills.

We know that poverty can't be disentangled from the other inequalities that shape our society, so we made sure that we reached families who are experiencing multiple forms of disadvantage.

CHILDREN'S PLAY IS SERIOUS BUSINESS

Children learn by playing, and play is important in building strong relationships between children and their parents and carers. In Margate and Manchester, we worked with LEGO Group to test out new opportunities for children to learn through play. In Wallsend, Sheffield and Smallshaw-Hurst, more than 1,000 children attended Summer of Fun playschemes, which we helped run. And in Margate, our Parenting Together group ran 'play and grow' sessions at allotments and outdoor play sessions at the Tide and Seek Beach School for one- to five-year-olds.

HELPING PARENTS HELPS CHILDREN

Parents are under so much pressure at the moment – making it very tough to raise a family. We worked with four local groups and 28 parents in Cardiff on the Pause to Play project. We distributed supermarket vouchers, play resources and offered one-to-one or group support to take some of the stress off parents. In Sheffield, we helped set up a Breakfast Club for parents, where they can get something to eat after they drop their children off at nursery, spend time with other parents and find out about local support services in the area.

A young mum in Cardiff told us, "It's not about having expensive toys for my children; I now realise it's more important to just give them my time".

WELCOMING UKRAINIAN REFUGEES

Since the escalation of the war in Ukraine, Save the Children UK has been helping children and families affected by the conflict. In 2022, over 100,000 Ukrainians came to the UK, most of them families with children. People and communities across the UK have donated, offered gifts and welcomed refugees into their homes, and we've been playing our part to make sure all refugees get a warm welcome.

We have lots of experience of helping children who have experienced war and trauma. So we've been sharing what we know with frontline workers – teachers, social workers, charity workers and others – and with host families. We ran 16 training sessions for more than 400 people, and worked with the Sanctuary Foundation to produce videos for host families, which have been viewed more than 2,000 times. We also worked with Barnardo's, the NSPCC and the Royal Society for Paediatric and Children's Health to develop information for both refugee and host families.

We provided Ukrainian families with vouchers for food and basic goods. We teamed up with local agencies in Wales and Northern Ireland and distributed more than £200,000 so that welcoming services, such as welcome packs, were available to refugees as soon as they arrived.

The Homes for Ukraine scheme is a great initiative, and we worked with the UK government to suggest ways of improving it. For example, we and other children's charities highlighted the need to speed up decision-making, employ more skilled caseworkers and make decisions which keep vulnerable children and young people safe. We think that this community sponsorship approach should be expanded for all refugees in future.

So many people want to help refugees. We worked with the Local Welcome charity, which brings together British citizens and refugees to prepare and eat meals together. Local Welcome organised more than 30 meals in nine cities across all four nations of the UK. And we were delighted to work with our partners the Scouts, and with schools in Wales, to enable children to write welcoming messages and share them with children from Ukraine.

We used a selection of these messages to create a booklet and worked with partner organisations to translate and distribute it to young refugees and their families across the UK.

PART OF THE COMMUNITY

We worked with a Welcome Centre in South Wales to support a family of four who came to the UK from Mariupol, a city that was first besieged then occupied by Russian forces. We helped cover the costs of transport so they could attend appointments; raincoats, school clothes and equipment for the children; and furniture for the family's new home. With the Welcome Centre, we helped the children's dad get a job and the family move into their new house. The two children are now settled in school, the dad is in permanent employment, and mum is attending English language classes and can now have a conversation in English. The family now feel they have regained their independence and started to live a new life. They told us that they are feeling normal again and most importantly that they are a part of a community.



Young people wrote and drew welcoming messages for refugees at the international jamboree in Kent.

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 2022 addressed issues faced by children in Scotland, as well contributing to the global aims of Save the Children.

Families across Scotland have faced deep hardship in 2022. The cost-of-living crisis has made trying to get by on a low income harder than ever and left many parents feeling stressed and anxious. In Scotland, one in four children lives in poverty, as do one in three families with babies, making our work to challenge poverty and influence policy more important than ever. In 2022, we empowered communities to create change by amplifying families' voices and experiences; we supported families facing financial crises; and we worked to minimise the impact of poverty on children's home learning environment.

CHALLENGING POVERTY

We spent much of 2022 campaigning for more support for families to help them through the cost-of-living crisis, and for more families to have secure, adequate incomes so that they can avoid being pushed into financial crisis. We produced high-quality research and amplified the voices and experiences of families to make the strongest possible case to decision-makers.

As part of the End Child Poverty Coalition in Scotland, we contributed towards securing an increase in the Scottish Child Payment to £25 per week per child and an earlier date for this to be delivered to families. We launched new research at the Scottish Parliament that set out a series of recommendations on the Scottish Child Payment.

Our [Delivering for Families?](#) report – published with the Joseph Rowntree Foundation – provided a detailed analysis and parents' views on how well the government's plan for tackling child poverty would meet their needs, and what support is needed to keep the promises made in the plan. With our partners Home-Start Dundee, we enabled parents to share their views directly with the Cabinet Secretary for Social Justice. Parents also created video animations to share their stories.

In September, we published a briefing setting out the impact of the cost-of-living crisis on families and the steps the Scottish government could take to protect children from it. MSPs used the report to highlight the issue in their areas. We've also supported parents to speak out in the media on how the crisis is affecting them.

We launched our Invest in Children campaign in December. It called on the Scottish government to use its budget to do more to support families through the cost-of-living crisis and to invest in children's futures. Our Parent Network has informed this campaign.

We also participated in events, policy discussions and groups, including a fringe meeting at the SNP Conference, and as a member of the Scottish government's Five Family Benefits Reference Group.

SUPPORTING FAMILIES

We've spent much of this year supporting families through the cost-of-living crisis. We've worked in partnership with community organisations to provide grants to 379 families with young children, helping them cope with financial pressures. The grants are worth up to £340 and are used to pay for food and other essentials like children's clothes. Over two-thirds of our grants supported single-parent families and over a third went to families from minority ethnic backgrounds.

Our Families Connect programme helps parents play with children in a way that boosts their learning and accelerates their social and emotional development. We supported 48 schools and nurseries to deliver the programme in 2022, benefitting 432 families.

We delivered the programme in local authorities across Scotland, from Dumfries and Galloway to Aberdeen, and continue to support Glasgow Life to deliver it throughout Glasgow. We brought facilitators together in Aberdeen and Aberdeenshire to share good practice and explore what more we can do to support schools and nurseries to help parents improve the home learning environment.

FUNDRAISING TO DELIVER OUR WORK

We are grateful for continued support from the Scottish government for our work. We are also thankful for the funds we've received from our UK corporate partnerships.

OUR GLOBAL ROLE

We've supported Ukrainian families arriving in Scotland through funding One Parent Families Scotland to deliver essential support and we continue to play an active role on the Scottish government's Humanitarian Emergency Fund panel.



IN NUMBERS

THE SAVE THE CHILDREN MOVEMENT

48.8 million children directly supported by the Save the Children movement and our partners

38.3 million adults directly supported by the Save the Children movement and our partners

107 emergencies responded to in **66 countries** by the Save the Children movement and our partners

SAVE THE CHILDREN UK

£294 million raised by Save the Children UK and our supporters

20 parent campaigners held the government to account on child poverty

3,689 volunteers in the UK gave their time, energy and skills to support our cause

26,000 signatures on our petition which successfully urged the government to host a global summit and provide funds to tackle the Afghanistan crisis

10 special events where we brought our valued supporters together to raise money for children

3,000 children's views listened to during our Generation Hope campaign

Anabely, 11, plays basketball at school in Quiche, Guatemala.

WORKING IN PARTNERSHIP

We are only able to have the impact that we do through working in partnership. The work of our partners underpins the scale and impact of our programmes. It deepens our knowledge, skills and expertise. It gives us the opportunity to innovate. And it amplifies children's voices and influence.

We are incredibly grateful to all our partners and supporters and have celebrated them and the impact they have had throughout this report. Here are some other standout examples from 2022.

Engaging with our stakeholders

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 – the individuals, groups, organisations and institutions listed in this section. This list is not exhaustive.

That's why we proactively engage with each of our key stakeholders in a way best suited to them. We consider their needs and concerns, in accordance with s172 of the Companies Act 2006.

By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group.

LOCAL PARTNERS

Our work would not be possible without our local partners. These include national and local non-governmental organisations, informal community-based organisations, and 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.

- In Idlib and Aleppo in northern Syria, we work in partnership with Violet, a local humanitarian organisation. Violet's local experience and expertise adds value to the work of Save the Children and other international organisations working in the area. Violet has unique experience in supporting communities to be resilient and works on child protection and empowerment of young people and women. Violet is able to respond quickly to incidents, especially when people are injured or displaced.
- In Tanzania, we work in partnership with NGO Actions for Development Programs Mbozi to pilot low-cost approaches to improving early childhood support. ADP

Mbozi provides strong contextual understanding and a network of local partnerships and we support each other to strengthen our technical approaches and capacity. For more information see page 13.

- In Sierra Leone, we led a consortium of local and international NGOs to help children return safely to school. For more information on our work here, see page 10. The Country Director of one of these local NGOs, Foundation for Rural and Urban Transformation, Boi-Jeneh Jalloh, said: "We operate as equal partners with international NGOs. Decision-making is inclusive at all levels. There is mutual trust and respect for each other's competencies and roles in the consortium."

Engaging with local partners

We strive for equitable and highly collaborative partnerships with all our local partners. We engage with each other continuously throughout all stages of a project, including the design phase, the project itself and the evaluation at the end. Decisions are made together.

CORPORATE PARTNERS, FOUNDATIONS AND PHILANTHROPISTS

In 2022, our partners supported our programmes, shared their expertise and helped children's voices to be heard.

- More than 1,000 children, over half of them girls, benefited from our Coaching for Life programme with the Arsenal Foundation, which uses football coaching to support the mental health of children in Za'atari refugee camp, Jordan.
- Our decade-long partnership with the Bill & Melinda Gates Foundation continues to support the movement-wide child survival advocacy strategy. The Foundation's contribution in 2022 has helped us make the case for ambitious, equitable and effective global health funding.
- In the UK, Bulgari supported our Children's Communities programme and our Early Learning Communities Programme to improve children's literacy skills and emotional development, reaching over 1,000 children and parents.
- Our partnership with GSK helped enable vulnerable communities and our Emergency Health Unit to better prepare for potential humanitarian disasters. With the

Green Climate Fund, the partnership is supporting the design of climate-resilient health systems in Senegal and Malawi.

- With LEGO Foundation we launched an advocacy initiative across five countries to enable skills-based education to be integrated into their education systems.
- The Morgan Stanley International Foundation backed our Parenting Power programme, supporting over 580 families in the UK with their child's development.
- The Norton Rose Fulbright Global Charitable Initiative helped support about 40,000 families living on the frontlines of the climate crisis. Norton Rose Fulbright LLP also helped 3,417 children in Myanmar catch up on the learning they missed during the COVID-19 pandemic.
- With Twinings, we have supported over 700 children and 2,400 parents and caregivers through an early childhood development project that supports tea-farming communities in China.
- We're working with Unilever on handwashing-promotion programmes in Lebanon and Indonesia to stop the spread of disease. We're part of the Unilever/Foreign, Commonwealth & Development Office-led Hygiene and Behaviour Change Coalition, tackling the spread of COVID-19 and promoting vaccination.

We're grateful for the continued support of other corporate partners and foundations including Amazon, AXA XL, Castle Water, Clifford Chance, Entertainment One and Peppa Pig, Hikma Pharmaceuticals, IHS Towers, Innocent Foundation, Kingsmill, Markel International, Mastercard, Pearson, QBE European Operations, Revolut, SC Johnson, Virgin Atlantic, VolkerFitzpatrick, Warner Brothers Discovery, wilko and 8Greens.

We also give special mention to H.E. Sheikh Thani Bin Abdullah Bin Thani Al-Thani and the Al-Thani Fund; Community Jameel; Suliman S. Olayan Foundation (Liechtenstein); the Shefa Fund; the Abdulla Al Ghurair Foundation for Education; Her Highness Sheikha Jawaher bint Mohammed Al Qassimi with NAMA Women's Advancement Establishment; and The Big Heart Foundation.

We are also grateful for continued support from Florence 'Cuppy' Otedola, the Cuppy Foundation and Abdirashid Duale and the Dahabshiil Foundation.

Our sincere thanks to the People's Postcode Lottery for its transformational support, and Jersey Overseas Aid Commission, Latin American Children's Trust, Lund Trust, Moondance Foundation, Westminster Foundation, and World of Women. Special thanks to our individual supporters, including George Davies; the Feltham Funding Circle; David Kremser; Mark Sorrell for Goldman Sachs Gives; Natasha Kaplinsky OBE and members of the Women's Network; members of the Africa Advisory Board and our Vice Presidents: Ann and Bart Becht, Gordon Campbell Gray, Michael Edwards OBE, Robert Glick OBE, Asa and Martin Hintze, Erland and Rose Marie Karlsson, Dora Loewenstein, Peter Mallinson, Paul Martenstyn, Sophie McCormick, Femi Otedola, Charlotte Ransom, John Reynolds, Amanda Richards, Michael Ridley, Andrew Sibbald, and Graham and Susan Tobbell.

Finally, our appreciation to our gala committees for their continued support, with special thanks to the IFR Awards, International Arbitration Charity Ball Committee and the Winter Gala Committee.

GOVERNMENTS AND MULTILATERAL PARTNERS

Save the Children UK works closely with an increasing number of government and organisational partners to deliver life-changing programmes for children.

- The UK government, UNICEF and UNOCHA provided us with financial support to deliver health and nutrition work in Somalia at the peak of the drought and subsequent hunger crisis. We are working with each of these partners to continue raising awareness and further pledges for children in East Africa.
- Irish Aid's support for our gender empowerment work in Ethiopia entered its third year. It also generously allocated €500,000 for our humanitarian response in Tigray.
- With Power of Nutrition and Give Directly, we delivered cash and nutrition education support to mothers in

Engaging with corporate partners, foundations, philanthropists, governments and multilateral donors

We engage with governments, multilateral donors, companies and philanthropists through in-person and virtual meetings, roundtable discussions and at annual global events – for example, the UN General Assembly and the COP27 climate summit.

We convene roundtables on topics of mutual interest to share learning and bring key stakeholders together on issues we're collectively working to tackle. For example, in June 2022, we convened a group of valued donors and corporate partners at a high-level roundtable called the Climate Emergency and Just Transition – identifying opportunities to explore multi-stakeholder collaboration and coming to a shared commitment on community-led climate action.

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.

SUPPORTING THE NIGERIAN GOVERNMENT TO PROVIDE GREATER SOCIAL PROTECTION

One clear mark of success is when governments adopt our approaches for their programmes. In 2022, we continued to work with state and federal governments in Nigeria to support them in developing social protection policies, laws, budgets and programmes. This year we:

- helped the federal government digitise payment systems
- supported the drafting of social protection legislation in Kano, Kaduna and Jigawa states

- supported the development of Kano's social protection policy
- helped the Kaduna government to design a programme, which it will fund, to move vulnerable young people out of poverty.

This important work transfers power back to people and their governments.

Malawi to help reduce chronic malnutrition among their children and support early childhood development.

- We signed a \$5.5 million contract with Gavi, the Vaccines Alliance, to continue our COVID-19 vaccination programme in Sudan.
- We started a new partnership with the government of Sierra Leone and the Education Outcomes Fund which aims to improve literacy and numeracy in 65 schools across three districts.
- With support from the World Bank in Lebanon, we worked to help children catch up with their education after it was disrupted by the pandemic.
- Thanks to UNOCHA and the Disasters Emergency Committee, we delivered £29 million in life-saving support for children and their families caught up in the conflict in Ukraine – support that will continue into the years ahead.

YOUNG PEOPLE

Save the Children UK's Youth Advisory Board aims to ensure we amplify young voices and hold children's rights at the heart of everything we do. In 2022, it was involved in our campaigning, media and governance work. This included sitting on panels for staff interviews, attending Board of Trustees meetings, and developing a project to make refugee and displaced children feel welcome in their schools and communities.

Save the Children UK also worked with our partners the Scouts on a project to welcome young refugees from around the world to the UK. Scout members submitted more than 600 messages and drawings of support, including words of advice and recommendations for things to do in the UK (page 25).



PHOTO: KIMBERLY HOANG/SAVE THE CHILDREN

The Youth Advisory Board held a two-day meeting in summer 2022.

Engaging with young people

It's vital that children and young people don't just serve as inspiration, but as actual decision-makers. This year, we focused on understanding children's demands with our new campaign Generation Hope (page 20). Through an online survey, digital hub, workshops and interviews, we spoke to more than 3,000 young people aged between 12 and 18. The youngsters came from across all four UK nations, from a range of social and economic backgrounds, from cities and villages, and from different ethnic backgrounds and religions.

Our engagement with young people will ensure that our work is in line with what they are demanding, so that we can more effectively be their ally.

AMBASSADORS AND HIGH-PROFILE SUPPORTERS

In 2022, our artists and influencers helped draw attention to our cause, taking part in media interviews and supporting our fundraising appeal for Ukraine.

Save the Children UK Ambassador, photographer and activist Misan Harriman, travelled to Somaliland to document its worst drought in over 40 years. His incredible images were featured in the *Financial Times* and *Vogue*, and were shared by Ambassadors Luke Evans, Joely Richardson and Erin O'Connor.

Sanjeev Bhaskar, Jon Snow, Adil Ray and Ambassador Mariella Frostrup stood with us and called for the UK government to take urgent action on hunger in Afghanistan. Sir Mo Farah launched our first Zakat campaign: Zakat, a form of charity, is one of the pillars of the Islamic faith and payments donated to Save the Children UK's Zakat Fund will be used to support our vital work in Muslim-majority

countries and communities. And Harry Styles helped raise over £150,000 by asking his fans to donate when they bought tickets and merchandise for his Love On Tour.

Christmas Jumper Day rounded off the year, with supporters including Alex Jones, Adam Hills, Holly Willoughby, Olly Murs, Giovanni Pernice, and Andi and Miquita Oliver getting involved.

Engaging with ambassadors and high-profile supporters

We engage with our ambassadors and high-profile supporters via texts, calls, emails and in regular face-to-face meetings. This provides an opportunity for them to communicate their needs, concerns or ideas, and an opportunity for us to listen to what they wish to get out of their experience with Save the Children UK.



Our Ambassador Misan Harriman photographs a community affected by drought in Somaliland.

PHOTO: JONATHAN HYAMS/SAVE THE CHILDREN

PUBLIC SUPPORT

In 2022, our incredible supporters gave monthly gifts, organised events, took on fundraising challenges and backed our campaigns. More than 3.28 million people took part in our eleventh Christmas Jumper Day, raising over £2.8 million so far – £2 million of which was matched by the UK government, taking the total raised to £4.8 million.

The Disasters Emergency Committee Ukraine Appeal generated £389 million by December 2022, of which we get around 18%, and our supporters raised a further £8.9 million for our response. Supporters continued to donate to our Afghanistan, Yemen and Syria appeals – as well as our Pakistan Floods Crisis Appeal. Our Emergency Fund raised £8.5 million and allowed us to respond to less-widely covered crises.

Our campaigns, too, are powered by the UK public. As the UK’s cost-of-living crisis deepened, we worked with 38 Degrees and Turn2Us on the crisis, winning a commitment from the government to ensure benefits would rise in line with inflation. Our magnificent parent campaigners (see page 22) helped us keep the pressure on those in power.

848 kind supporters left us gifts in their wills worth £17 million. Most of these were given with no restrictions,

meaning they can be used where they will have the greatest impact for children. One of these legacies came from someone who had supported Save the Children UK for an incredible 40 years. Another was from a scientist and teacher who remembered us to honour his wife’s support for the charity. Every legacy has a story and represents a gift from an amazing person with hopes and dreams for children’s futures.

Engaging with supporters

We engage with our supporters through a regular supporter survey, participatory research and by monitoring supporter calls.

We also engage directly with them via social media, phone calls and stewardship contact. We use our understanding of our audiences and supporters to keep their needs at the heart of all our communications and products, striving to deliver an experience that is meaningful and rewarding for them.

Supporters who completed our 2022 supporter survey gave us a satisfaction score of 8.6 out of 10.

Volunteer Carol gives out activity packs at the Smallshaw Hurst Food Pantry Store.



PHOTO: KATE STANWORTH/SAVE THE CHILDREN

VOLUNTEERS

Our 3,689 volunteers contributed enormously in 2022: as community fundraisers, shop volunteers, campaigners, researchers and speakers. Our shop teams contributed over 200,000 volunteer hours and our community groups raised more than £600,000.

Engaging with volunteers

We engage with our volunteers regularly to ensure they have the necessary support and so their opinions can help shape our decisions. We conduct an annual volunteer motivation and satisfaction survey: in 2022, 96% of survey respondents were satisfied with their volunteering experience. Their feedback informed how we run our shops and campaigns, and our regional approach to our supporter engagement.

OUR PATRON

For more than five decades, HRH The Princess Royal has devoted her 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 has continued to be a powerful advocate of our work. We are honoured to have had The Princess Royal as our President since 1970 and our Patron since 2017, and are thankful for her unwavering support.

A VIBRANT MOVEMENT OF SUPPORT

Our goal is to build and maintain a vibrant and inclusive base of support that we can mobilise for and with children. Over the past year we've made important progress on several fronts:

- We evolved our core fundraising and marketing communications, seeking to embed our Powering Possible brand, to deliver on our diversity and inclusion commitments and to increase our effectiveness in a challenging market. We have also restarted and revitalised our face-to-face fundraising.
- We have been at the forefront of humanitarian appeals for Afghanistan, Ukraine, Pakistan and East Africa, through powerful, awareness-driving media coverage and fundraising and campaigning. UK public awareness of malnutrition in East Africa rose from less than 20% to nearly 70% over the course of the year.
- We have mobilised supporters and volunteers to campaign on key issues, working with partners and raising the voices of children to have more impact.
- We've secured new partnerships and grown transformational programmes to deliver significant impact for children. We continued to pilot new ways of collaborating with partners and philanthropists, through multistakeholder partnerships and innovative finance models.
- We've explored opportunities to create powerful and relevant experiences for key audiences. We developed a way to instantly show people the impact of their donations and looked at the ways in which we can make children a more active force in our fundraising, campaigning and communications.

- We've made vital progress on replacing our customer relationship management system. The new system will move into its build phase in 2023, updating a core part of our technology ecosystem and setting us up for future success.

CHALLENGES AND LESSONS

The fundraising and engagement environment remains challenging. As the cost of living soars, one in four people in the UK have cut back on charitable donations since the start of 2022, and a further two in five indicate they might or definitely will do so in the near future.

Thankfully, our supporter base has proved resilient, registering only a small increase in regular-giving cancellations. As more people struggle to make ends meet, we must find ways to remain relevant to those who are able to support us.

We have seen a decline in legacy income after a peak in 2019. Legacy income is typically volatile – one large legacy makes a big difference to the total figure. We are prudently forecasting a lower level of income going forward, as well as strengthening our legacy marketing.

The high level of political change and uncertainty has also affected some of our campaigning activities. Our response has been to work more with local groups and communities to provide them with the skills, tools and expertise they need to lead their own campaigning, and to work more in partnership.

With reduced fundraising and marketing budgets post-pandemic, Save the Children UK is less visible to the public. This has both an immediate and long-term impact on the efficiency of our fundraising, which we will seek to address through greater investment in future years.

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 with us.

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 fairly, and work hard to create an environment that is free from discrimination and inequity.

OUR PEOPLE

As of 31 December 2022, 844 staff were employed at Save the Children UK and 3,689 people were working in a formal volunteering role.

To find out about our approach to pay and overheads, see page 49, and for details on our gender and ethnicity pay gaps, see page 50.

OUR CULTURE

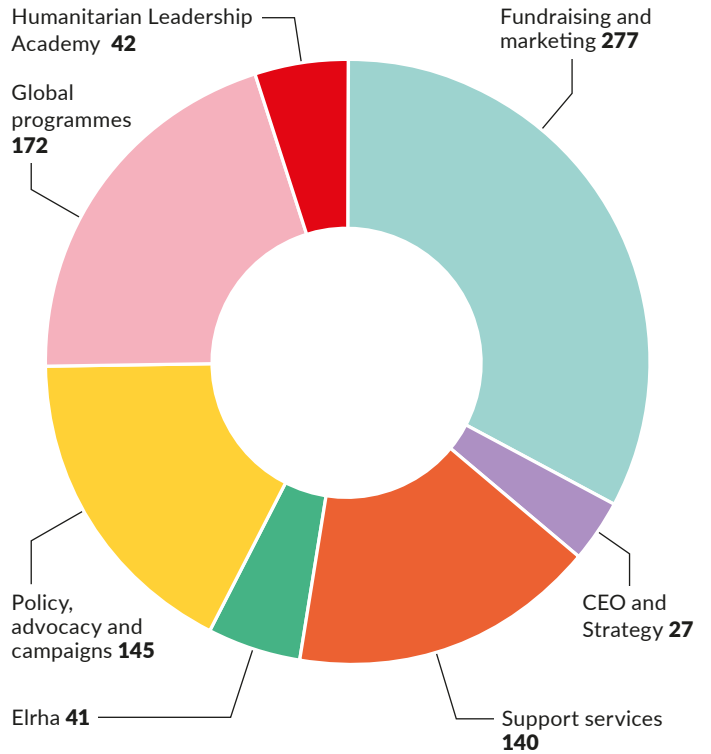
This year we launched Organisation of the Future, a wide-reaching programme to shift our culture, capabilities and structure to deliver greater impact for children. It brings together and builds on work from across the organisation that:

- increases our agility to maximise our impact and shock-proof the organisation
- engages and empowers colleagues to work with greater autonomy and cooperation
- shifts mindsets to increase individual agency and reshape our culture and capabilities.

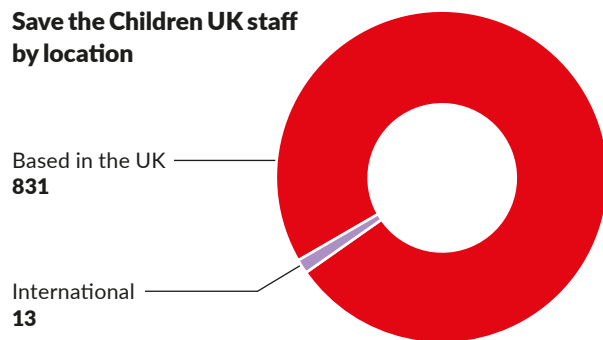
As part of the programme, we launched our long-term, post-pandemic approach to working. We asked our staff about their preferred ways of working and used that data to develop a hybrid model that prioritises face-to-face interactions for collaboration and relationship-building, while allowing for flexibility to work remotely for non-collaborative work.

At the same time, we updated our flexible working policy to complement the new hybrid ways of working and introduced a homeworking allowance, so staff have the right tools to work safely and effectively from home.

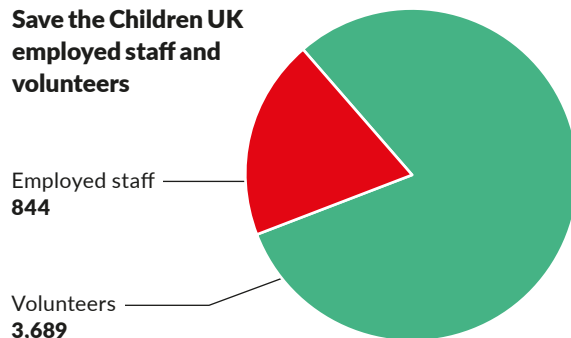
Save the Children UK staff by division



Save the Children UK staff by location



Save the Children UK employed staff and volunteers



EMBEDDING DIVERSITY, EQUITY AND INCLUSION

We have embarked on a journey to make our organisation more inclusive. Working with our staff equality networks and diversity and inclusion representatives we continued to implement Free to Be Me, our [Diversity and Inclusion Strategy](#). Please see information on our ethnicity and gender pay gaps on page 50.

Here are some examples of the progress we made towards implementing that strategy in 2022:

- We delivered targeted anti-racism training to our Board and Executive and Corporate Leadership teams.
- We increased ethnic minority representation at senior levels to 21%, exceeding the target of 20% we'd set ourselves to reach by 2024.
- The proportion of staff who felt we are creating an inclusive culture where everyone can contribute their best increased from 69% to 75%.
- In March, we introduced a comprehensive equity, diversity and inclusion education programme available to all staff.
- After a successful first year, our mentoring development programme for colleagues from underrepresented groups entered its second year, supporting staff from ethnic minority backgrounds, under-privileged backgrounds, and those with disabilities and from LGBTQ groups.

In 2023, we will refresh our Diversity and Inclusion Strategy to ensure it's effectively changing our culture.

66 I'm better skilled at navigating my career and pursuing development opportunities. The programme has given me the confidence and clarity I needed to provide leadership to a team and take my next career move. 99

Staff member who took part in the mentoring development programme

WELLBEING

Since December 2021, there has been a 36% reduction in stress-related absence among staff. This is in part thanks to new measures to help line managers better support their teams. Other measures, such as listening circles, have allowed for more open conversations about stress, and stress risk assessments help prevent stress escalating into mental ill health or burnout. We have also created support groups so staff can talk through difficulties with their peers in a safe space.

At the beginning of 2022, we recruited a cross-organisational wellbeing working group. It acts as a sounding board for staff, gives us a sense of how they're feeling and informs divisional wellbeing initiatives.

Throughout the year, we used lunchtime talks, team workshop sessions and blogs to engage all our staff on

a range of wellbeing topics, such as imposter syndrome, financial health and menopause.

ENGAGEMENT WITH STAFF

The People team have transformed the way they work and the services they offer. In 2022 they collaborated with colleagues across the organisation to co-create fantastic services – starting with recruitment, onboarding and induction – that enable every member of staff to thrive and do their best work.

Our Leadership team regularly engaged with our Black and Minority Ethnic (BAME), Disabilities, Gender, LGBTQI+ Allies, and Parental staff equality networks on matters of culture. These networks continue to be instrumental in informing decision-making and driving change.

Our yearly engagement survey collected expanded demographic data around disability, refugee/asylum status and socio-economic background, to help us better understand the working experience of different groups. Findings from the survey are feeding into our 2023 People Strategy.

BECOMING A STRONGER, MORE EFFECTIVE ORGANISATION

We continue to invest in making sure that our technology is fit for the long term. In 2022 we developed a shared two-year organisational plan for digital, data and technology to help us prioritise our resources more effectively and deliver longer-term efficiencies.

This includes looking at how we manage supporter data and investing in tools to help make hybrid working accessible for everyone.

In the search for new ways to maximise our impact for children and tap new income streams, we tested three areas of innovation: innovative finance, collaboration with start-ups, and commercial ventures. This has seen us:

- launch our first results-based finance product
- offer small low-interest loans and business support to start-ups in Rwanda who are improving the lives of children and their families
- kick off a project supporting female refugee entrepreneurs from Ukraine.

CHALLENGES AND LESSONS

Attracting and retaining digital, data and tech specialists continues to be a challenge. As a result, we are piloting a new learning platform to increase digital and data skills across the organisation.

Cyber-attacks are an increasing threat and have surged across the world in the past year. We are mitigating this risk through the development of our Cyber Security Programme to safeguard and secure our data.

REDUCING OUR ECOLOGICAL IMPACT

The ecological emergency – climate change, environmental degradation and biodiversity loss – is devastating the lives of children and communities around the world. That's why we're committed to being part of the solution to the crisis – and that starts with reducing our own environmental impact.

We will become an ecologically smart organisation by:

- reducing our 'direct' emissions by 50% by the end of 2024 (compared to our 2019 baseline) and by 70% by 2030,[†] and reducing our wider emissions where possible (such as emissions from pensions and investments, employee commutes, and waste).
- investing in honing our people's existing skills and increasing their knowledge on the crisis – particularly its disproportionate impact on children – as well as on themes such as carbon literacy, ways of reducing global emissions, and the neo-colonial causes of the crisis. Where possible, we're giving staff opportunities to upskill by taking on new roles and projects in this area.
- improving environmental risk management and better understanding the environmental impact of our decisions, such as how we work and with whom. In 2023, we will roll out environmental management systems for our operations, overseas programmes and humanitarian responses.

PROGRESS IN 2022

This year we concentrated on strengthening our processes and practices in environmental sustainability and on improving the data we use to measure progress. In 2023, we will increase our focus on embedding and scaling up these improvements.

WORK-RELATED TRAVEL

To deliver our mission for children across the world, travel remains essential. Nevertheless, we committed to reducing our air travel emissions to 70% less in 2022 than in 2019.

We launched a new travel policy to enable us to meet our pledge, improved the quality of our flight emissions data and access to it, and developed divisional quarterly review processes to monitor compliance.

In 2022, our CO₂ equivalent (CO₂e) emissions from air travel were 549 tonnes (0.65 tonnes per employee) – an 84% reduction from our 2019 baseline. We are pleased to have met our target.

STAFF ENGAGEMENT

In 2022, we worked to engage colleagues on the climate crisis through our staff environmental network. We circulated internal blogs on topics from sustainable back-to-school ideas to fast fashion, and hosted lunchtime talks on subjects ranging from the environmental impacts of our pensions to gardening in small spaces. In April, we were also privileged to be joined by Eric Njuguna, a Fridays for Future and UN youth climate activist from Kenya, who shared a thought-provoking account of climate justice and neocolonialism. Learning from Eric, we are centring this issue in our climate and ecological strategic plan.

PENSIONS AND INVESTMENTS

Funds that are not immediately required are invested to improve income. We ensure that none of these investments are held in companies in the fossil fuel industry. In 2022, we investigated lower-carbon pension funds and, in 2023, will prioritise enabling staff to make better-informed decisions on the sustainability of their pension choices.

EMISSIONS METRICS AND TARGETS

Save the Children UK has measured the carbon emissions of our UK operations since 2011. In 2022, with the generous support of [ZeroBees](#), we conducted a deeper and broader analysis, mapping our Scope 1, 2 and 3 emissions. The results are being used to shape our roadmap to a 50% carbon reduction by 2024.

[†] The Greenhouse Gas Protocol uses 'direct' to refer to Scope 1 emissions only. However, in carbon commitments 'direct' is commonly used to refer to the emissions we are most able to control and connected to our impact on the environment. At Save the Children UK, our reduction commitment includes our Scope 1 emissions from sources we directly own or control (fuel used to power our sites and vehicles), Scope 2 emissions from energy generated elsewhere and supplied to us (electricity used in our offices and shops) and elements of our Scope 3 emissions created by our supply chain and via the goods and services we buy, notably the flights we take and hotel stays.

Most of our emissions come from our business travel (56%) and the use of our head office, four regional offices, and 104 retail premises across the UK (44%). Following a steep decline in our emissions in 2020–21 due to COVID-19 lockdowns, they increased in 2022, as some employees returned to the office and travel restrictions were relaxed. The residual effects of the pandemic continued to affect our total emissions, however.

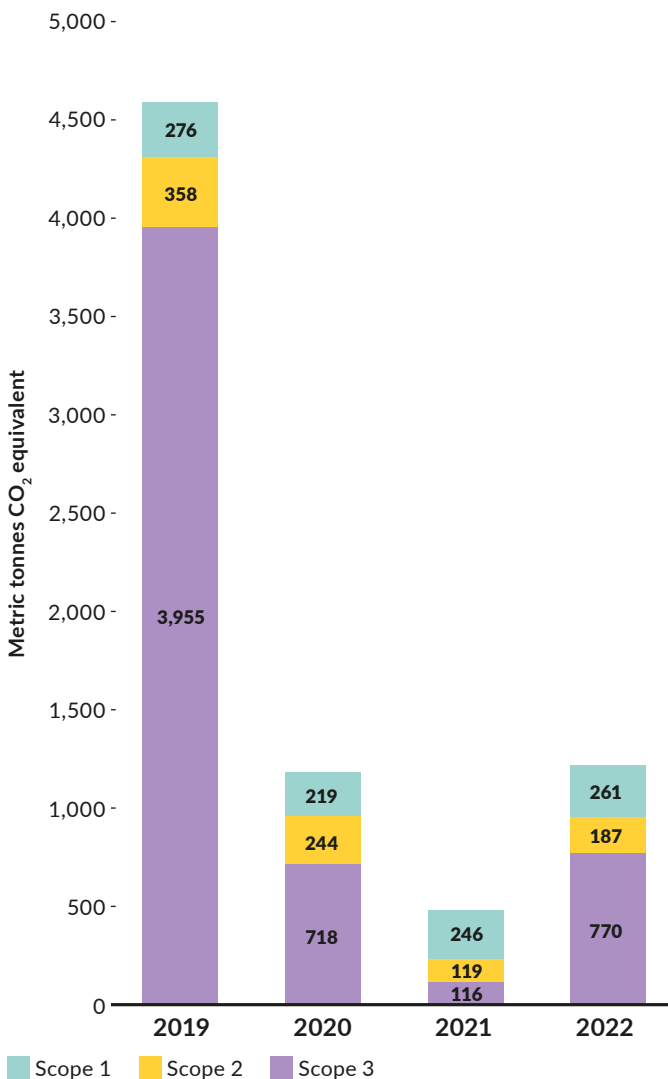
OUR EMISSIONS

Our analysis with ZeroBees estimates that Save the Children UK’s emissions were 1,218 tonnes of CO₂e in 2022 (Scope 1, Scope 2, and included sources of Scope 3). This represents an intensity measure of 1.43 tonnes CO₂e per employee.

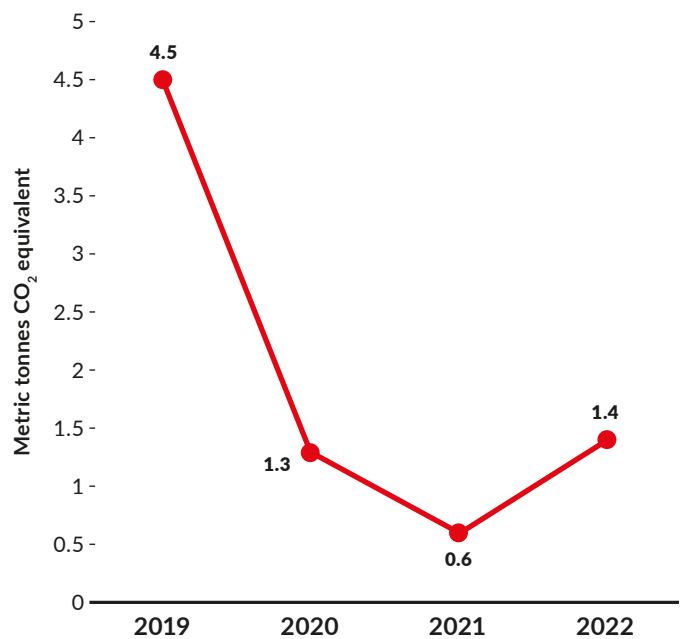
See page 52 for our mandatory Streamlined Energy and Carbon Reporting (SECR) data. The required scope of SECR is limited compared to the more comprehensive discretionary analysis presented here.

Our direct carbon emissions

CO₂ equivalent



Carbon intensity per employee



Note 1: Our 2019, 2021 and 2022 greenhouse gas emissions data were developed with the support of ZeroBees in 2022. These figures will differ from our Streamlined Energy and Carbon Reporting data (page 52) and the figures we share with the Save the Children movement, which are both more limited in scope but are nonetheless mandatory for us to report.

Note 2: Scope 3 emissions included in this ‘direct’ emissions graphic include business flights, company and leased cars, Scope 3 electricity, employee cars, hotel stays, Scope 3 natural gas, Scope 3 other fuel types, public transport, and rail. The Scope 3 emissions sources that are currently excluded from our commitments and measurements are in some cases still being targeted internally for reduction interventions (for example, pensions). However, due to the impracticality of obtaining accurate emissions data, the associated costs or the immateriality to Save the Children UK, we have excluded them from the scope of this project at this time.

FINANCIAL PERFORMANCE

We are extremely grateful to all our supporters for their continued generosity across all areas of our work despite the challenging economic times, and we are committed to ensuring our income is used efficiently, effectively, and responsibly by making every pound count.

HEADLINES

Our total income in 2022 was £294 million and our total spend was £286 million, an increase of £54 million and £50 million respectively on the previous year.

	2022 (£m)	2021 (£m)	Increase/ (Decrease)
Restricted income	215	164	51
Unrestricted income	79	76	3
Total income	294	240	54
Restricted spend	216	162	54
Unrestricted spend	70	74	(4)
Total spend	286	236	50

The strong growth in total income was due to our restricted income increasing by £51 million on 2021 which has been driven by our rapid and significant response to the war in Ukraine. In total we raised £33 million for Ukraine, with support coming from individual donors, corporate partners and institutional funders. While unrestricted income was up £3 million on 2021, at £79 million, it remains substantially lower than pre-pandemic levels as a result of the significantly reduced investment in fundraising made since 2020 to mitigate the loss of income caused by the pandemic. We have plans in place for 2023 to increase fundraising investment to drive future income growth.

INCOME

INSTITUTIONAL DONORS: £165 MILLION (2021: £132 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 from institutional donors increased by £33 million in 2022 compared with 2021. This was mainly driven by the success of the Disasters Emergency Committee Ukraine appeal (£24 million in 2022) as well as an increase in funds from the United Nations (up £10 million on 2021) where we saw strong spend on UNOCHA awards in Ethiopia and Yemen.

INDIVIDUALS, LEGACIES AND COMMUNITIES: £68 MILLION (2021: £65 MILLION)

Income from individuals and communities was £51 million, up £5 million on 2021. Regular donations from individuals fell slightly – by £0.9 million – compared with 2021 as we have acquired fewer supporters than we lost due to our scaled back fundraising investment since 2020 in response to the pandemic. One-off donations were up £6.1 million, driven by the success of the Ukraine and Pakistan emergency appeals and our own fundraising events such as the Winter Gala. We received £17 million of legacy income in 2022, a decrease of £2 million on 2021.

CORPORATES, MAJOR DONORS AND TRUSTS: £45 MILLION (2021: £30 MILLION)

Income from major donors and trusts was £26 million, a £12 million increase on 2021 driven by the success of the Ukraine appeal and fundraising for our Emergency Fund. Strong relationships with our corporate partners generated £19 million in 2022, up £3 million on 2021.

TRADING: £9 MILLION (2021: £7 MILLION)

Our shop income was £9 million, up £2 million on 2021 driven by continued recovery from the impact of the pandemic. In 2022 shops were open and trading all year, while in 2021, income was still affected by lockdowns. Our retail network is smaller than it was pre-pandemic because of the challenging economic environment and as we continue to focus on maximising returns.

2022 income and expenditure

Total income £294 million

Institutional donors £165m			Individuals and legacies £68m		
UK central government £35m	World Bank £17m	Other institutional £57m	Individuals £51m	Corporate partnerships, major donors and trusts £45m	
	Irish and other national governments £14m				
United Nations £33m	European Commission £9m		Legacies £17m	Trading £9m	Other £7m

Total expenditure £286 million

Charitable activities £251m						
Emergencies £76m	Education £56m	Health £44m	Livelihoods £31m		Nutrition £21m	Raising funds £24m
			Protection and rights £12m	Advocacy and awareness £11m	Trading £8m	

EXPENDITURE

Our total expenditure in 2022 was £286 million, an increase of £50 million on the previous year. This increase has been driven mainly by our response in Ukraine.

CHARITABLE ACTIVITIES: £251 MILLION (2021: £203 MILLION)

Our charitable expenditure includes £212 million directly on programmes in the UK and internationally; £8 million directly on advocacy and awareness; and £31 million on support costs for our programme, advocacy and campaigning work.

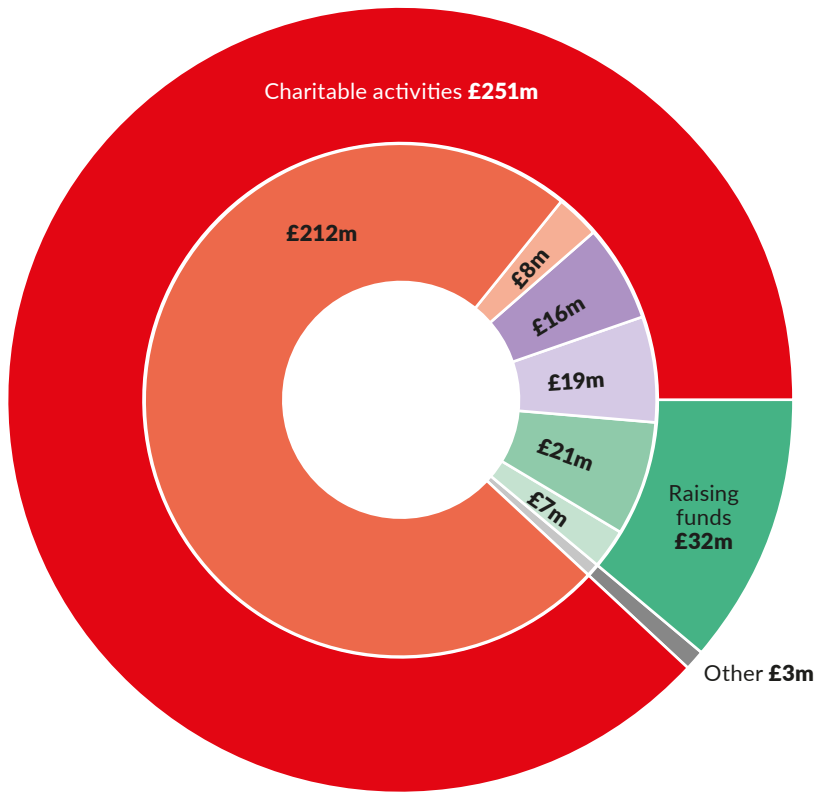
The diagram above shows our charitable expenditure broken down by thematic areas.

We spent £76 million responding to emergencies in 2022, which includes grant expenditure of £30 million through the Start Network, and £9 million through our humanitarian entity Elrha. Our health spending increased by £13 million to £44 million, mainly due to our UNOCHA-supported work in Ethiopia. Expenditure on education increased by £10 million to £56 million due to our Education Cannot Wait funded work in Uganda, Global Partnership for Education school feeding programme in Ethiopia and our work in Poland as part of the Ukraine response. Our expenditure on livelihoods also increased by £8 million to £31 million in 2022, primarily due to our Ukraine response.

Our UK-based spending on advocacy and awareness in 2022 was £8 million, in line with 2021. Included within our health spend in 2022 is a £2.2 million multi-year advocacy grant from the Bill & Melinda Gates Foundation.

2022 expenditure

Total expenditure £286 million



Charitable activities - £251m includes **£212m** on global programming **£8m** on advocacy and awareness **£16m** on programme support costs **£15m** allocation of management and administration support costs

Raising funds - £32m includes **£21m** of fundraising costs **£7m** of trading costs **£4m** allocation of management and administration support costs

Other - £3m
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: £32 MILLION (2021: £31 MILLION)

Our spend on raising funds marginally increased in 2022 and was made up of £21 million on direct fundraising costs, £7 million of direct retail costs and a £4 million allocation of support costs. We also made efficiency savings which enabled us to spend more on holding fundraising events we had to stop during the pandemic, restarting face-to-face fundraising, and investing in a programme to replace our customer relationship management system. We spent £21 million (£20 million in 2021) on the direct costs of running our diverse fundraising channels and activities. Investment is still significantly lower than it was pre-pandemic but we are planning to increase this now our financial situation allows, to continue to drive income growth.

Direct spend on our retail shops was £7 million (£7 million in 2022). Retail costs in 2022 remained stable as they mostly comprise fixed overhead costs. Our shops operated at an overall loss of -£0.5 million in 2021 due to the closures early in the year, but 2022 saw our shops return to profitability as they were open all year, showing a profit of £1.1 million.

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 £19 million in 2022, a decrease of £1 million on the previous year. 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 delivering 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 2022, in line with the previous year.

TOTAL FUNDS

As at the end of 2022, the closing funds are made up of the following balances.

	2022 (£m)	2021 (£m)
General reserve	42.5	33.1
Revaluation reserve	3.3	5.9
Designated funds	4.4	6.1
Pension reserve	(0.1)	(0.1)
Total unrestricted funds	50.2	45.0
Restricted funds	14.7	14.0
Endowment funds	4.8	5.5
Total restricted funds	19.5	19.5

UNRESTRICTED FUNDS

General reserves of £42.5 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 £14.7 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 investments section below.

Our reserves range is reviewed annually. In 2022, our target reserves range was £30–40 million. Our closing general reserves of £42.5 million are therefore just above the target range. During 2023 we will invest some of the additional general reserves into fundraising to drive future growth in this income stream.

Ahead of approving the 2023 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. With regards to the potential liability relating to the Save the Children Defined Benefit Pension Scheme benefit review (see note 25h of the financial statements), in the event of an adverse ruling this would primarily be funded through a multi-year payment plan that would be agreed with TPT. 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 it is appropriate to maintain a high level of reserves until 2024 (when a court ruling is anticipated to be made) and therefore have agreed to maintain the range of £30–£40 million for 2023.

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 have the opportunity of long-term growth. While the portfolio reported a loss of £3 million in 2022, (following a gain of £3 million in 2021) the current market value of the investments is still higher than their book cost, as shown by the £3.3m held in the revaluation reserve at the end of 2022. The loss for the year was in line with losses incurred across world stock markets generally.

PENSION SCHEME

The valuation of Save the Children's Defined Benefit scheme (a scheme in the TPT umbrella trust), for the purposes of FRS102, showed a funding surplus of £5.6 million at the end of 2022 (2021: surplus of £21 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 FRS102 valuation is different from the triennial actuarial valuation which was last formally performed 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 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 2022 (2021: deficit of £0.1 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 £189 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 cash flow 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 cash flows in order to minimise liquidity risk. Goods and services purchased 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. In addition, we 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's financial performance and the General Reserves position for 2022. The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trustees have prepared cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements ('the going concern period'), which 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 ongoing pressures on the economy and the cost of living. Our planning process, including financial and cash flow projections, has taken into consideration the current and forecast 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, as detailed in our General Reserves policy, 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 will continue to monitor the situation as it unfolds 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.

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 2022

2022 was dominated by uncertainties resulting from global conflict and soaring costs for families everywhere.

We closely monitored the effects of the ongoing economic turbulence on our own finances. We kept our expenditure under close control and continued to diversify our income streams.

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 2022, we worked closely with

the Save the Children movement and our funding partners to meet the challenges and manage the risks to our international programmes.


HOW WE MANAGED OUR PRINCIPAL RISKS IN 2022

As we entered the new strategy period, managers and trustees revisited our risk profile to ensure it reflected the shifting challenges ahead.

Despite a challenging year, most of our principal risks remained stable during 2022. That's because we used agile mitigation strategies, set out in the table below, in response to changing threats and priorities. We considered our principal risks against our agreed risk appetite, which were then reviewed and challenged by the Audit and Risk Committee and Board of Trustees in 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 2022

 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 2022, we focused on managing risks to the design and delivery of our UK and international programmes, adapting to the needs of children. With our partners, we designed and delivered support for children and families in the world's toughest places.</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, survivor-centred and reflect the environments in which we work.</p> <p>In 2022, we strengthened our approach to safeguarding by identifying and training 30 staff to become safeguarding leads within their teams. We helped all of our staff recognise their individual day-to-day responsibilities for managing safeguarding risk systems and controls, and helped teams to understand and address the specific safeguarding risks within their work.</p> <p>We have a set of policies and procedures to help ensure the safety and wellbeing of the children and families we work with. These include a new survivor-centred protocol and standard operating procedure for case management, robust 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 and improve our controls and processes.</p> <p>In 2022, we also launched a new online incident-reporting and case-management system to ensure a rapid and effective response to any safeguarding concerns. And we ran an exercise across every team in the organisation to identify our strengths and weaknesses in safeguarding, followed by targeted work to strengthen any identified weaknesses.</p> <p>We strengthened our internal safeguarding systems using insights gained from analysis on the best ways to reduce barriers to reporting concerns.</p> <p>Our Board of Trustees and Safeguarding Committee received regular updates on the effectiveness of our safeguarding measures, the progress against any audit actions and our Safeguarding Strengthening plan.</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 could harm our people and expose Save the Children to regulatory action.</p>	<p>We have health and safety policies and procedures in place for both UK and international contexts. Specialist staff provide advice on both physical health and mental wellbeing.</p> <p>We continued supporting homeworking arrangements, providing staff with office equipment and advice on how to work safely at home. Our Wellbeing team provided direct support to staff and pointed them towards mental health resources.</p> <p>Our Audit and Risk Committee and Board of Trustees received regular reports on health and wellbeing during the year.</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 2022, we worked closely with Save the Children International to mitigate those risks.</p> <p>We deployed staff to provide programme support and trained them to manage the risks we face in delivering programmes, including risks related to security, fraud, corruption and diversion of aid. We provided staff 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>
<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 arrangements are underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet 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>Our Audit and Risk Committee and Board of Trustees received regular updates on compliance.</p>

Principal risk	Risk mitigation strategy
<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 UK.</p>	<p>All staff sign a Code of Conduct to promote compliance with employee relations policies. We continued to implement a comprehensive programme to build a more positive workplace culture and strengthen our people management capabilities.</p> <p>In 2022, we held an all-staff event to bring teams together to help develop our shared purpose and principles, fostering collaboration and teamwork.</p> <p>Our People and Culture strategy is regularly reviewed by our People Committee and Board of Trustees.</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>All our staff agree clear personal objectives which help them to understand their contribution to our vision and mission. We monitor engagement and conduct regular staff surveys to understand how staff are feeling, taking corrective action where we fall short. We have also revised our wellbeing service for staff, focusing on mental health and wellness.</p> <p>In 2022, our attrition rate remained above target and we are continuing to look at ways to reduce this. This includes reviewing our pay and grading structure so that we remain an attractive employer and better support career pathways for staff.</p>
<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 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. We also maintained our Cyber Essentials certification.</p> <p>Following an internal audit of our cyber security towards the end of 2021, we continue to strengthen and develop this area of risk. In 2022, this included holding dedicated sessions with senior management and Trustees to ensure our leaders have the information, skills and experience they need to understand and manage cyber security risks.</p> <p>Our Audit and Risk Committee and Board of Trustees received regular updates on our compliance with data protection policies.</p>
<p>Financial stability</p> <p>External shocks or trends affecting our income, cash flow or reserves could put our future financial stability at risk.</p>	<p>We monitor our actual and forecast financial performance continuously so that we can take the appropriate measures in good time.</p> <p>In 2022 we saw strong growth in our restricted income driven by our response to the war in Ukraine and as a result of our continued donor diversification strategy. While unrestricted income was up £3 million on 2021, it remains substantially lower than pre-pandemic levels as a result of the significantly reduced investment in fundraising made since 2020 to mitigate the loss of income caused by the pandemic. We have plans in place for 2023 to increase fundraising investment to drive future income growth, while maintaining a strong level of general reserves to reflect the increased uncertainty of our calculation of the defined benefit pension liability.</p> <p>To inform their decisions, our Finance Committee and Board received updates on actual and forecast financial performance throughout the year.</p> <p>See also page 42 for financial risk management.</p>

CONTINUOUS IMPROVEMENT IN HOW WE MANAGE RISK

In 2022, work continued to develop how we can strengthen and structure the first and second lines of our risk management ‘three lines’ model (see diagram below) to better manage key risks. This included aligning our areas of risk more directly with our organisational objectives to further support strategic decision-making and improve effectiveness.

We launched a new incident-reporting and case-management system to help us better manage incidents and near misses across the charity. The system is being closely monitored and evaluated to help us learn and gather feedback, while processes are further embedded across our teams.

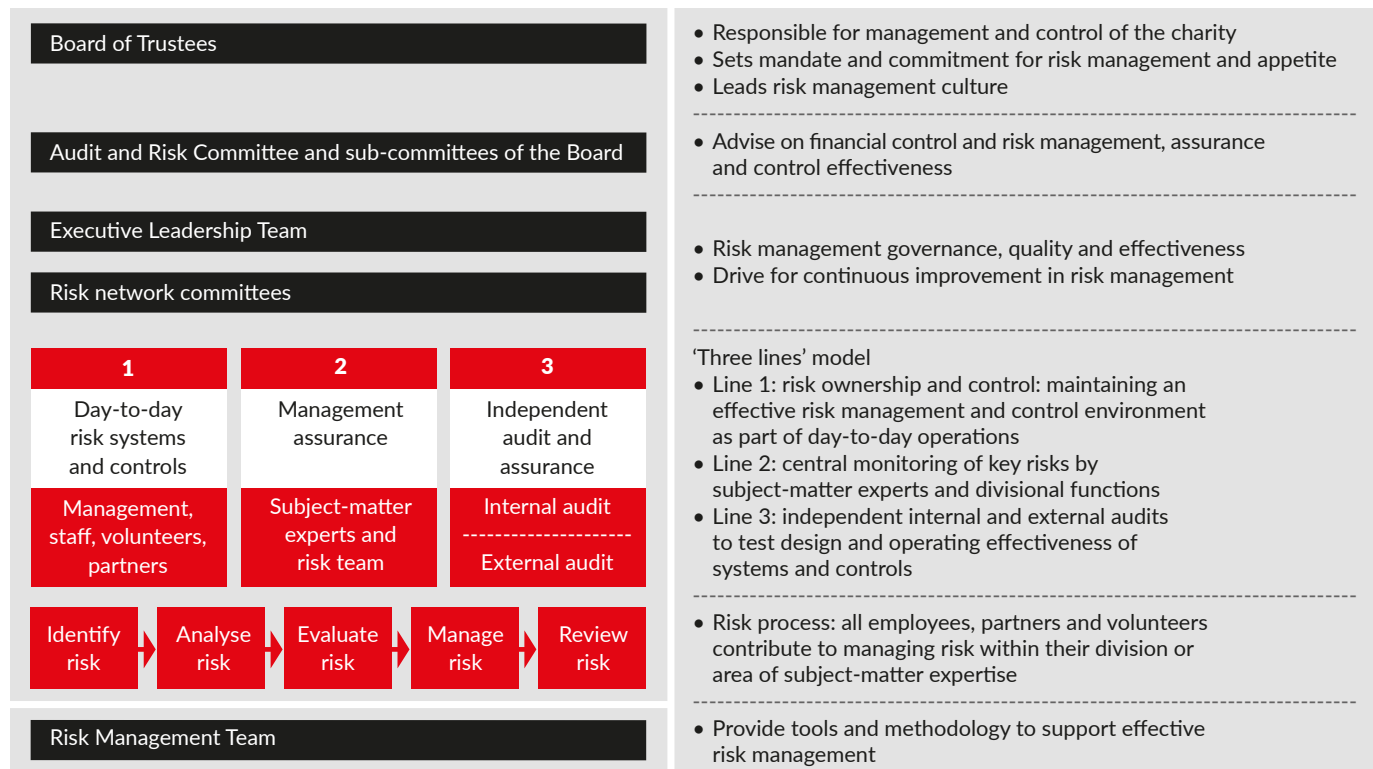
WORKING TOGETHER TO MANAGE SHARED RISKS

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 2022, the movement came together to work on honing how we share information on controls and assurance in our international programme work.

INTERNAL AUDIT

In 2022, our internal audit function was delivered by Save the Children International’s Global Assurance team. Risk-based audits were conducted across key areas such as Trading and Retail, International Programme Management, and Media Engagement. 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.

ROLES AND RESPONSIBILITIES FOR MANAGING RISK



HOW WE WORK

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 central to 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 more closely with children than we have before, listening more intently and further amplifying their voices. We are shifting power and resources 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. Since 2012 we have voluntarily published timely, detailed and comparable information on our programme spend through the [International Aid Transparency Initiative](#), 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.

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, above all the United Nations Convention on the Rights of the Child, but also 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 on the Rights of Persons with Disabilities. For example, in 2022 Save the Children supported the development of the Global Acceleration Plan for Gender Equality to promote the rights of women under the Convention on the Elimination of All Forms of Discrimination Against Women. Our work to deliver our commitments to the plan was recognised by UN Women's first progress report on the plan's implementation as exemplifying efforts to support feminist leadership.

We also endorse the [Make My Money Matter pledge](#), a campaign for more ethical pensions, 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. They should also take strategic actions to advance broader societal objectives, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

SAFEGUARDING

We do everything we can to make sure everyone who comes into contact with us or our partners has a safe, supportive and empowering experience, free from all forms of abuse, harm and harassment. We are particularly vigilant when it comes to safeguarding children.

During 2022, we significantly strengthened our safeguarding systems, ensuring they are survivor-centred, robust and effective. This work included:

- developing and launching a new [survivor-centred protocol](#), which embeds child- and survivor-centred principles across all of our safeguarding work

- launching a new online incident-reporting and case-management system to ensure a rapid response to any safeguarding concerns
- transforming our approach to safeguarding by identifying and training more than 30 safeguarding leads across the organisation, supporting staff to recognise their individual and team safeguarding responsibilities
- running a safeguarding self-assessment process across the organisation, followed by targeted work to strengthen weaker areas
- leading an internal campaign to increase the reporting of safeguarding concerns, with a particular focus on lower-level concerns and near-misses, to help us identify gaps and strengthen our safeguarding systems
- redeveloping our internal training materials for both induction and refresher training, including creating an e-learning course, accessible for volunteers
- consulting on, developing and launching our safeguarding strategy and implementation plan for 2023–24.

For more information on our safeguarding activities, please see our Annual Trustee Risk Statement on page 43.

SAFEGUARDING INCIDENT REPORT 2022

Category	2022	2021	2020
Initial review	16	9	10
Initial fact finding	24	6	4
Full investigation	4	7	7
Total	44	22	21

We take all safeguarding reports seriously and investigate all allegations of potential abuse and harm in accordance with our procedures. We are committed to taking a clear survivor-centred approach and offer support routinely to those affected. Of the 44 reports received in 2022 in the UK:

- 16 reports required the Safeguarding team to proceed with an initial review. These reports were not related to our work, or staff or volunteer conduct, but still required the Safeguarding team to take action to protect a child or adult at risk (for example, by sharing information with the relevant local authority or requesting a welfare check from the police).
- 24 reports contained no allegation of harm, and only required a fact-finding exercise by the Safeguarding or HR team. A fact-finding exercise identifies 'near misses' and potential weaknesses in our Safeguarding systems or risk assessment processes. It allows the organisation to correct these rapidly, or further build our best practice.

- Four reports met the threshold for a safeguarding investigation. Two of the reports concerned sexual harassment by a volunteer. These allegations were substantiated, and the volunteers involved dismissed. One case related to aggressive behaviour by a volunteer. This was partially substantiated, and action taken in accordance with our policies. The fourth report related to a staff member's conduct overseas and this was found to be unsubstantiated. None of these reports met the threshold for a serious incident, and none required reporting to the police.

INTERNATIONAL PROGRAMMING

We work with Save the Children International to deliver our internationally funded programmes. Together we strive 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 UK can report a concern about any of our fundraising activities.

We continue to use a wide range of approaches to raise money. This includes 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 internal team conducts much of this activity, but we also engage professional fundraising agencies to speak to existing supporters on the phone, door to door and on private sites.

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 our mission and values when it comes to raising income. The Donation Acceptance Committee considers potential high-risk donations to Save the Children UK (see page 55). In 2022, we identified 67 potential high-risk funding opportunities from a variety of individuals, companies and trusts, and across sectors ranging from retail to finance. We proceeded with 56 of

these opportunities and turned down 11 due to concerns that the nature of the potential donors' activities conflicted with our work, values and commitment to children. In line with all organisational policies, the Donation Acceptance and Refusal Policy is reviewed formally every two years. The next review is due in 2023.

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 supporter-facing teams and our fundraising agencies on it. It is also a key consideration when we monitor our fundraising.

THIRD PARTIES FUNDRAISING ON OUR BEHALF

Save the Children UK engages professional fundraising agencies to undertake fundraising on our behalf through telephone and face-to-face fundraising, which are conducted both door to door and at private sites. We continue to use robust oversight and monitoring procedures, in line with Fundraising Regulator standards. We ensure fundraising conducted on our behalf meets the highest standards, complies with all relevant regulation, and embodies Save the Children UK's supporter-centric approach. We monitor our agencies through a combination of mystery shopping, site visits, call monitoring, contract monitoring and regular meetings, and we train fundraisers on our expectations. We report our findings to our Audit Committee on a regular basis.

COMMERCIAL PARTICIPATORS

Save the Children UK works with corporations that sell goods and donate a proportion of the proceeds to us – they're called commercial participators. In 2022, we benefited from 25 new commercial participator agreements and eight ongoing multi-year partnerships. This year we have worked with companies in various sectors, ranging from retail to publishing.

RAISING A COMPLAINT OR CONCERN

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 2022 our supporter-facing teams received 465 public complaints (269 in 2021). No complaints were investigated by the Fundraising Regulator.

The increase in complaints is primarily for two reasons. First, the recommencement of face-to-face fundraising activities. Second, the decision to decline a gift from Neptune Energy, a fossil fuel company.

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 will inevitably vary from year to year and are likely to increase again in 2024 as we return to pre-pandemic levels of fundraising activity.

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](#).

Subject of complaint	Number
Governance, strategy and policy	171
Fundraising (gift administration)	165
Fundraising (methodology and solicitation)	110
Trading	11
Our work	7
Advocacy and campaigns	1
Total	465

OUR APPROACH TO PAY AND OVERHEADS

We are committed to being a kind, agile and inclusive organisation so that we can be the best version of ourselves to deliver for and with children. Securing the right people is key to delivering our strategy. One of the ways we do this is by paying our colleagues 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 pay all colleagues a living wage of at least £11.95 per hour in London and £10.90 per hour in the rest of the UK.

We awarded our colleagues a 3% pay increase in April 2022, after financial constraints prevented us increasing pay in 2021.

2022 was a tough time financially for many people. With that in mind, everyone who worked for Save the Children UK below Executive Director level received a taxable £500 cost of living crisis allowance in addition to their regular salary, spread across the six months of October 2022–March 2023.

We also conducted a pay review in May 2022, focusing on reducing our gender and ethnicity pay gaps.

We've faced similar challenges in attracting and holding onto talent as the rest of the sector. We're looking at ways to develop a 'total reward' approach that looks at factors beyond pay – such as working environment, hybrid working and more flexible working.

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 and ensuring our salary levels help attract the talent we need to run an effective and efficient impact-driven 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 salary and pension costs, please see note 8, page 73, and note 25, page 89, in the financial statements.

GENDER PAY GAP

Save the Children UK is committed to achieving gender equity in pay. Our values demand that women and men are equally rewarded for their contribution. 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.

In 2022, our staff was 73% female and 27% male. We saw a decrease in our gender pay gap, meaning that while men were paid on average more than women, the difference is less than it was.

- The median pay for men was 3% higher than for women (5% in 2021). The national median gender pay gap is 8.3% according to provisional figures from the Office for National Statistics.
- Mean pay for men was 4.9% higher than for women (7.6% in 2021).
- There was a 2.5% increase in female representation in the upper paid quartile.

- The mean gender pay gap at our senior grades A–C was 0.8% (3.8% in 2021). At grades D–H the gap was 6.5% (8.7% in 2021).

We are committed to removing the barriers that lead to our gender pay gap.

We do not operate a bonus pay scheme.

ETHNICITY PAY GAP

We published our ethnicity data and pay gap for the first time in October 2020. We're now committed to publishing our data every year, and to closing the gap. These reports can be found on our [website](#).

The ethnicity pay gap is the difference between the average hourly pay of BAME colleagues and white colleagues, expressed as both median and mean.

- Our median ethnicity pay gap as of 5 April 2022 was 5.3% (5.3% in 2021).
- Our mean ethnicity pay gap as of 5 April 2022 was 3.8% (3.5% in 2021).

In April 2022, our colleague profile was 69% white, and 20% BAME, with no data available for the remaining 11%. The 11% non-disclosure of ethnicity can skew the overall data.

We've had a 12% increase in the headcount of BAME colleagues. At grade D the ethnicity pay gap has now narrowed to 0.4%. Grades A–E still have a pay gap in favour of white colleagues, but grades F and G have slight pay gaps in favour of BAME colleagues.

There is a 6.8% pay gap between white and black colleagues, 4% between white and Asian, and 6.3% between white and colleagues from 'other' ethnicities. Changes in these gaps are very sensitive to the rates of new starters and leavers, so staff retention is key to reducing the gaps further.

The pay gap data shared is in line with reporting requirements for April 2022. However, in May 2022, we also conducted pay reviews to help us more effectively address our ethnicity and gender gaps. These reviews enabled us to narrow our mean ethnic pay gap further to 2%. But our mean gender pay gap actually increased slightly – by 0.05% to 4.97% – after the departure of some female colleagues at senior grades in April.

We are committed to working towards closing the gender and ethnicity pay gaps further through:

- reviewing salary offers with managers and HR to ensure they are equitable
- delivering inclusive recruitment training to promote fair and bias-free recruitment practices
- encouraging colleagues to update equality and monitoring data to increase the accuracy of ethnicity pay reporting

- the work of the equal pay working group, chaired by Executive Director of Organisational Effectiveness Pria Rai, which is leading strategically to continue narrowing the gaps.

EXECUTIVE DIRECTOR REMUNERATION IN 2022

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 2022 is 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 our employees is as follows:

- Upper quartile (£52,250): 2.7:1 (2.9:1 in 2021)
- Median pay (£44,283): 3.2:1 (3.3:1 in 2021)
- Lower quartile (£36,825): 3.9:1 (4.1:1 in 2021)

Position	Responsibility	Actual gross salary [†] 2022	Full-time equivalent annual salary	
			2022	2021
Chief Executive Officer Gwen Hines	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.	£143,000	£143,000	£143,000
Executive Director of Global Programmes Adam Berthoud (Appointed as permanent executive director from 01/03/2022)	Responsible for the design and delivery of our international programmes to help children survive, learn and be protected.	£116,432	£118,450	£105,000
Executive Director of Policy, Advocacy and Campaigns Kirsty McNeill	Responsible for our UK programmes and our policy, advocacy and campaigning work, encouraging decision-makers in the UK and around the world to deliver for children.	£117,588	£118,450	£115,000
Chief Finance and Technology Officer Francis D'Souza	Responsible for ensuring strong management of our income and spending to deliver maximum impact for children. From 1 September 2022 also responsible for the digital, technology and change teams.	£121,438	£130,000	£115,000
Executive Director of Fundraising and Marketing Gemma Sherrington	Responsible for engaging the UK public to support Save the Children UK through their time, money and actions. Leads our network of shops and relationships with commercial partners.	£117,588	£118,450	£115,000
Executive Director of People Pria Rai	Responsible for the recruitment, support and development of our team of 893 staff, and for initiatives to improve our people management capabilities and employee experience.	£122,700	£123,600	£120,000

[†] Differences between full-time equivalent annual salaries and actual gross salaries arise as a result of annual pay rises that take effect in April each year and pay adjustments reflecting changes to role. In addition to the gross salaries, £147,337 was paid for employer's national insurance, pension contributions and life insurance in respect of the above individuals.

STREAMLINED ENERGY AND CARBON REPORTING

Save the Children UK has measured the carbon emissions of our UK operations since 2011. This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1st January 2022 to 31st December 2022 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 and 2022 conversion factors as applicable. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

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.

During the reporting period, we have continued to make improvements at our Farringdon offices in particular with upgraded LED lighting, controls and processes combined with improved BMS visibility. Additionally, smart meters continue to be rolled out across the utility supplies at our shops.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio. Our SECR data has been developed with the generous support of Purchase Direct.

	1 January–31 December 2022	1 January–31 December 2021
Total energy consumption – used for emissions calculation (kilowatt hours)	2,494,573	2,905,537
Combustion emissions, scope 1 (tonnes of carbon dioxide equivalent (tCO ₂ e))	99	159
Purchased electricity emissions, scope 2 (tCO ₂ e)	347	270
Vehicle fuel combustion emissions, scope 1 (tCO ₂ e)	23	27
Vehicle fuel combustion emissions, scope 3 (tCO ₂ e)	18	57
Total gross reported emissions (tCO ₂ e)	486	513
Staff	844	877
Intensity ratio: staff (tCO ₂ e/staff member)	0.58	0.58

[†] 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 the Department for Environment, Food and Rural Affairs, using their 2021 conversion factors. In some cases, consumption has been extrapolated from available data or direct comparison made to a comparable period.

STRUCTURE, GOVERNANCE AND MANAGEMENT

STRUCTURE 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 (SCI). SCI was established in 2011, and has responsibility for implementing international programmes outside SCA's member countries through its network of 61 country offices and three independent national offices. Save the Children International is registered as a charity in England and Wales, and SCA is its sole member.

Save the Children Association 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.

In November 2022, the Save the Children Association launched Save the Children Global Ventures, a new entity designed to catalyse private sector investment to transform the lives of the world's most disadvantaged children and their communities. Building on its experience managing a portfolio of social enterprises and an impact investment fund in Australia since 2020, Save the Children Global Ventures will address urgent problems by leveraging innovative finance models, technology-based solutions and our global platform, to support social enterprises and drive impact at scale.

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* + COMMITTEES**

Dr Tsitsi Chawatama-Kwambana (Chair)	N, S, ST
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	
Jessica Gladstone	D, S
Razia Khan	D, A
Dianna Melrose	N, W
Kajal Odedra	N, P
David Ripert	P
Babatunde Soyoye	F
Mark Swallow (retired 31/05/2023)	A, F, I
Gordon McFarland (appointed 24/01/22)	P
Catherine Doran (appointed 01/12/22)	S, ST
Timothy Fallowfield (appointed 23/02/23)	A, F

INDEPENDENT MEMBERS AND EXTERNAL ADVISERS + COMMITTEES**

Louise Hall	I
Stephanie Limond	I

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

** Committee membership as at 31 December 2022 or as of resignation/retirement date

Committee	Chair
(A) Audit and Risk Committee	Timothy Fallowfield (Mark Swallow retired 31/05/2023. Timothy Fallowfield appointed as Chair 01/06/23.)
(F) Finance Committee	Richard Winter
(I) Investment and Pensions Subcommittee	Richard Winter
(D) Donation Acceptance Committee	Jessica Gladstone
(N) Nominations Committee	Dianna Melrose
(P) People Committee	Gordon McFarland (David Ripert appointed as Interim Chair 04/10/2021, resigned 31/03/2022. Gordon McFarland appointed as Chair 01/04/2022.)
(S) Safeguarding Committee	Catherine Doran (Jahnine Davis resigned 02/08/2022. Tsitsi Chawatama-Kwambana appointed as Interim Chair 15/08/2022, resigned 01/12/2022. Catherine Doran appointed 01/12/22.)
(ST) Safeguarding Trustee	Catherine Doran (Jahnine Davis resigned 02/08/2022. Tsitsi Chawatama-Kwambana appointed as Interim Chair 15/08/2022, resigned 01/12/2022. Catherine Doran appointed 01/12/22.)
(W) Whistleblowing Trustee	Dianna Melrose

EXECUTIVE DIRECTORS as at 31 December 2022

Gwen Hines	Chief Executive Officer
Adam Berthoud	Executive Director of Global Programmes
Francis D'Souza	Chief Finance and Technology Officer
Gemma Sherrington	Executive Director of Fundraising and Marketing
Kirsty McNeill	Executive Director of Policy, Advocacy and Campaigns
Pria Rai	Executive Director of Organisational Effectiveness

COMPANY SECRETARY

Omobonike Bracewell (appointed 27/03/23)

Abra Edwards (appointed 04/10/22, resigned 27/03/23)

Habibunnisha Patel (resigned 09/09/22)

PRINCIPAL PROFESSIONAL ADVISORS

Save the Children's principal professional advisers include:

INDEPENDENT AUDITOR KPMG LLP
15 Canada Square, London E14 5GL

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

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

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

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 22nd June 2023.

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 through 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 note 1 on page 65 and note 14 of the financial statements on page 77.

GRANT CUSTODIAN FOR START NETWORK

Start Network is an independent charity, with Save the Children UK as sole grant custodian for some of its work. 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.

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 2022, the Board held four hybrid 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:

- reviewed the charity's performance in delivering against our objectives in 2022 and our three-year strategy for 2022–24
- monitored the organisation's principal risks and progress on people and culture change
- agreed our budget for 2023
- monitored the impact of the charity's work and consulted with the organisation's Youth Advisory Board.

The Board also held a number of ad hoc meetings to discuss operational and financial matters with executive directors. These matters included the charity's annual report and accounts, a question concerning the charity's Donation Acceptance and Refusal Policy, and a Board away day.

As of 31 December 2022, there were eight women and five men on the Board of Trustees, four 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) and one subcommittee (Investment and Pensions) 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 2021 annual report. It reviewed the assurances provided to trustees about the control environment in operation during 2022, and considered reports from

our external auditor. It agreed a programme of internal audits to be conducted in 2022, 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, insurance, whistleblowing, people management, fraud, advocacy and campaigns, information management (including cyber security), data protection and subsidiaries management. For more information, please see the Annual Trustee Risk Statement on pages 43–46. The committee met six times in 2022.

- The **Finance Committee** reviewed the financial results from 2021 and in-year forecasts for 2022, discussed the 2023–25 financial model and supervised preparation of the 2023 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 2022.
- The **Investment and Pensions Subcommittee** is an advisory subcommittee of the Finance Committee. It met five times in 2022 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. The committee is made up of three trustees and three executive directors. Information was shared with the committee by email throughout the year, and the committee met twice in 2022. More information on the donation acceptance and refusal process can be found on pages 48–49.
- 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. It is also responsible for leading the trustee self-assessment and review process, including an annual review of the Chair's performance, as well as an annual trustee skills audit. The committee met four times in 2022.

- The **People Committee** oversees the organisation's work on its people and culture, and performance and pay. It is accountable for reviewing the performance of the Chief Executive and makes recommendations to the Board on the remuneration, benefits and terms of employment of the executive team. In 2022, the committee oversaw progress on the development and implementation of a number of workforce priorities, including wellbeing, diversity and inclusion, and workforce development. It also scrutinised our people performance dashboard. The committee met four times in 2022.
- The **Safeguarding Committee** 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. It also reviews the charity's progress on safeguarding culture. The committee met five times in 2022.

TRUSTEE 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 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.

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.

PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that Save the Children UK provides public benefit and achieves its 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 future activities.

INTERNAL POLICIES AND REGULATORY COMPLIANCE

In 2022, as part of our policies governance mechanism, we reviewed and updated seven internal policies, including our Special Leave Policy and our Contracts Policy. We rolled out a new Travel Policy to help us meet our commitment to reducing our environmental impact (see page 36).

You can find out more about our organisation's policies – including on safeguarding, donation acceptance and refusal, and open information – on the [accountability page](#) of our website.

MODERN SLAVERY

Over the course of 2022 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 uses funds and expertise to work closely with Save the Children International primarily to identify, resolve and eliminate any modern slavery in the supply chain for our international programming work undertaken by Save the Children International.

The charity has no cases of modern slavery to report in its supply chain during 2022. In line with statutory requirements the charity continues to publish its modern slavery statement on its website.

For more information, see the Modern Slavery Statement on our [website](#).

CHARITY GOVERNANCE CODE

In 2017, the Board of Trustees ('the Board') resolved to adopt the Charity Governance Code ('the Code') for larger charities. The Code encourages charities to publish a brief narrative in their annual reports explaining how they have been applying it. In 2020, the Board conducted an external board effectiveness review, in accordance with the Code's requirement that large charities conduct such a review every three years. The review was carried out against the updated Code, which reinforces its focus on the principles of integrity, equality, diversity and inclusion. The board effectiveness review was completed in April 2021.

Over the course of 2022, the Board continued to work through an implementation plan to improve its effectiveness in the five agreed areas the review recommended. These areas centred on: (1) identity and direction (on the charity's future role and strategy), (2) the Board as a team, (3) culture, diversity and inclusion, (4) efficiency of Board time, and (5) the charity's subsidiaries. The Board believes the charity's governance aligns well with the Code and particular focus continues to be given to the areas as highlighted by the review. The Board's improvement work included:

- Strengthening the induction process for new trustees, including a review of key onboarding documents for incoming trustees and participation in biannual global induction meetings to orientate new trustees with SCA/SCI. Feedback from recently recruited trustees will be taken onboard to further improve this process; and
- Continuing to improve the trustee annual review and skills audit processes, in order to monitor board effectiveness and to inform decisions on diverse trustee appointments.

Following recent appointments into key trustee roles (Safeguarding Trustee and the incoming Chair of the Audit & Risk Committee), the Nominations Committee will be reviewing and revising Board processes in 2023 to ensure a focus on increasing and, critically, maintaining Board diversity in its broadest sense.

In accordance with the Code's requirement, the Board will commission its second board effectiveness review in 2023, to be concluded in 2024, to ensure the charity continues to operate with and develop high standards of governance.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report on pages 4–57 was approved by the Board of Trustees on 22nd June 2023.



Dr Tsitsi Chawatama-Kwambana
Chair of Trustees, Save the Children UK
23rd June 2023

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

OPINION

We have audited the financial statements of Save the Children Fund ("the charitable company") for the year ended 31 December 2022 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 2022 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 individuals who do not do so frequently and those posted to unusual accounts combinations.
- Agreeing a sample of donations income to relevant supporting evidence and cash receipts;
- Agreeing a sample of legacy income transactions back to relevant legal documents;
- Inspecting grant agreements to determine if income has been recognised in line with accounting policy
- Testing a sample of transactions to verify the categorisation of income between restricted and unrestricted to ensure that revenue has been recognised in line with the criteria in the Charities SORP.
- 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 56, 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.



Joanne Lees (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

27th June 2023

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.

For each trustee in office at the date of approval of the annual report:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all of the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2022 £000	Total funds year to 31/12/2021 £000
Income and endowments from:					
Donations and legacies	2	66,195	32,458	98,653	84,412
Charitable activities	3	-	182,901	182,901	144,994
Other trading activities	4	8,850	-	8,850	7,064
Investments	5	866	-	866	496
Other	6	2,985	101	3,086	3,443
Total income		78,896	215,460	294,356	240,409
Expenditure on:					
Raising funds					
Raising donations and legacies	7	23,735	637	24,372	23,280
Other trading activities	7	7,717	25	7,742	7,511
Investment management costs	7	123	-	123	145
Total raising funds		31,575	662	32,237	30,936
Charitable activities					
Nutrition	7	2,347	18,817	21,164	17,744
Livelihoods	7	3,341	28,111	31,452	23,212
Health	7	4,011	39,685	43,696	31,276
Protection and rights	7	1,219	10,554	11,773	10,343
Education	7	5,871	50,082	55,953	45,233
Rapid onset emergencies	7	10,878	65,757	76,635	64,416
Advocacy and awareness	7	7,904	2,878	10,782	10,331
Total charitable activities		35,571	215,884	251,455	202,555
Other	7	2,669	10	2,679	2,437
Total expenditure		69,815	216,556	286,371	235,928
Net (losses)/gains on investments	13	(2,031)	(654)	(2,685)	2,841
Movement on share of associate's surplus	14	(78)	-	(78)	83
Net income		6,972	(1,750)	5,222	7,405
Transfers between funds	21	(1,732)	1,732	-	-
Actuarial losses on defined benefit pension scheme	25	(24)	-	(24)	(1,544)
Net movement in funds		5,216	(18)	5,198	5,861
Fund balances brought forward		44,943	19,534	64,477	58,616
Fund balances carried forward	21	50,159	19,516	69,675	64,477

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

The restricted fund balances carried forward include £4,845,000 (2021: £5,499,000), which relates to endowment funds.

There were no new endowments in the year and there were losses in the funds in the current year of £654,000 (2021: gain £634,000).

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

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2022

	Notes	Group 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Fixed assets					
Intangible assets	11	228	404	228	404
Tangible assets	12	1,610	1,607	1,610	1,607
Investments	13	43,088	40,773	43,363	41,048
Associates	14b	596	674	-	-
		45,522	43,458	45,201	43,059
Current assets					
Stocks	15	424	472	348	373
Grant debtors	16a	20,649	18,582	20,122	18,065
Other debtors	16b	26,605	27,941	26,042	27,531
Short-term deposits		35,741	39,970	35,741	39,970
Cash at bank and in hand		13,970	4,030	13,829	3,868
		97,389	90,995	96,082	89,807
Creditors: amounts falling due within one year	17a	(66,556)	(62,277)	(67,153)	(64,366)
Net current assets		30,833	28,718	28,929	25,441
Total assets less current liabilities		76,355	72,176	74,130	68,500
Creditors: amounts falling due after more than one year	17b	(849)	(1,028)	(849)	(1,028)
Provisions for liabilities	18	(5,767)	(6,551)	(5,767)	(6,461)
Net assets excluding pension liability		69,739	64,597	67,514	61,011
Defined benefit pension scheme liability	25	(64)	(120)	(64)	(120)
Total net assets		69,675	64,477	67,450	60,891
Unrestricted funds					
General reserve	21	42,547	33,122	42,546	33,122
Revaluation reserve	21	3,296	5,882	3,296	5,882
Designated funds	21	4,380	6,059	2,783	2,904
Total unrestricted funds excluding pension reserve		50,223	45,063	48,625	41,908
Pension reserve	25	(64)	(120)	(64)	(120)
Total unrestricted funds		50,159	44,943	48,561	41,788
All restricted and endowed funds					
Restricted income funds	22	14,671	14,035	14,044	13,604
Endowment funds	23	4,845	5,499	4,845	5,499
Total restricted funds		19,516	19,534	18,889	19,103
Total funds		69,675	64,477	67,450	60,891

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

The financial statements on pages 62 to 96 were approved by the Board of Trustees on 22nd June 2023 and signed on their behalf by the Chair and Honorary Treasurer on 23rd June 2023.



Dr Tsitsi Chawatama-Kwambana – Chair



Richard Winter CBE – Honorary Treasurer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Net cash flows from operating activities	(a)	10,165	(614)
Cash flows from investing activities			
Bank interest received	5	356	15
Dividends received	5	510	481
Purchase of tangible fixed assets	12	(398)	(215)
Purchase of investments	13	(10,500)	(4,106)
Proceeds from sale of investments	13	5,071	4,897
Net cash movement in investments	13	429	(791)
Investment in associate	14b	78	(83)
Net cash used in investing activities		(4,454)	198
Net cash flows from financing activities			
Change in cash and cash equivalents in the year	(b)	5,711	(416)
Cash and cash equivalents at the beginning of the year		44,000	44,416
Cash and cash equivalents at the end of the year		49,711	44,000

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

		Year to 31/12/2022 £000	Year to 31/12/2021 £000
NOTES TO THE CASH FLOW STATEMENT			
(a) Reconciliation of net income to net cash flow from operating activities			
Net income		5,222	7,405
Investment income		(866)	(496)
Losses/(gains) on investments		2,685	(2,841)
Adjustment for pension funding		182	183
Payments to defined benefit pension scheme		(263)	(4,364)
Net loss on disposal of fixed assets		21	20
Depreciation charge		375	482
Amortisation charge		176	315
Impairment charge		-	169
Increase in stocks		48	923
(Increase)/decrease in debtors		(731)	15,139
Increase/(decrease) in creditors falling due within one year		4,279	(16,373)
Decrease in creditors falling due in more than one year		(179)	(179)
Decrease in provisions		(784)	(997)
Net cash flows from operating activities		10,165	(614)
(b) Analysis of cash and cash equivalents			
	At 01/01/2022 £000	Cash flow £000	At 31/12/2022 £000
Cash at bank and in hand	4,030	9,940	13,970
Short-term deposits	39,970	(4,229)	35,741
	44,000	5,711	49,711

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 56 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 the 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 increased pressures on the economy, in particular higher inflation increasing costs. Our planning process, including financial and cash flow 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 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.

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.

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.

(B) COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 53. 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 representing the defined benefit pension scheme and growth plan valuation, 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 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.

1. ACCOUNTING POLICIES (CONTINUED)

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 pro bono legal and professional services, and campaigning and fundraising goods and services, which are all recognised when received or performed. These have been valued either at market value or, where a market value is not available or appropriate, an appropriate estimate of the value to the charity is made.

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 utilised, 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.

(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 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.

1. ACCOUNTING POLICIES (CONTINUED)

(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 UK.

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 scheme as it is not possible to separately identify the assets and liabilities of participating employees (or employers). 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.

1. ACCOUNTING POLICIES (CONTINUED)

(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. Our policy is to minimise holdings of currencies that are not required for operational needs so that we are not exposed to movements in currencies. 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 (2021: 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 (2021: 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 valuation

Estimates of the net pension valuation 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 valuation of changes in these assumptions. The group engages other professional advisors where appropriate.

Any surplus on the pension valuation will only be recognised if it is possible to demonstrate that the surplus is recoverable either through reduced contributions in the future or through refunds from the pension scheme.

Provisions

Provisions such as 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 31/12/2022 £000	Year to 31/12/2021 £000
(a) Donations and gifts				
Individuals – regular giving	31,588	750	32,338	33,206
Individuals – one-off donations, appeals and events	10,289	8,648	18,937	12,830
Trusts and major donors	6,033	9,630	15,663	8,708
Corporate fundraising	1,438	6,564	8,002	2,527
Institutional donors	–	2,911	2,911	3,912
	49,348	28,503	77,851	61,183
(b) Gifts in kind by type				
Gifts in kind for distribution	–	2,710	2,710	2,921
Headquarters professional services	–	862	862	617
Fundraising	–	48	48	312
	–	3,620	3,620	3,850
(c) Legacies				
Legacies ¹	16,847	335	17,182	19,379
Total donations and legacies	66,195	32,458	98,653	84,412

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 £3.5 million (2021: £3 million).

3. INCOME FROM CHARITABLE ACTIVITIES

	Year to 31/12/2022 restricted £000	Year to 31/12/2021 restricted ¹ £000
Performance-related grants		
UK central government	34,940	38,586
Irish government	3,923	5,287
Other national governments	10,167	12,470
UK local and regional government	740	840
European Commission (including European Community Humanitarian Aid Office)	8,665	8,878
Disasters Emergency Committee	33,652	4,621
Education Cannot Wait	12,320	8,393
United Nations	32,815	22,851
World Bank	16,774	15,816
Total government and multilateral organisations	153,996	117,742
Comic Relief	408	490
Bill & Melinda Gates Foundation	2,322	2,895
Corporate partners	10,573	13,276
Trusts	10,378	4,978
Other	5,224	5,613
Total income from charitable activities	182,901	144,994

¹ The 2021 comparatives have been recategorised to ensure consistency, however there is no impact on the overall totals.

Corporate partners includes £2,464,000 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

	Charity £000	Save the Children (Sales) Ltd £000	Total year to 31/12/2022 £000	Total year to 31/12/2021 £000
Retail income and costs				
Retail income	8,154	696	8,850	7,064
Cost of sales	-	(352)	(352)	(206)
Direct expenses	(7,330)	(73)	(7,403)	(7,319)
Total expenses	(7,330)	(425)	(7,755)	(7,525)
Surplus/(deficit)	824	271	1,095	(461)

Additional net income was raised in relation to shops which is disclosed elsewhere and includes £548,000 (2021: £418,000) of donations raised in shops, and £20,000 (2021: £20,000) of property income, totalling £568,000 (2021: £438,000). Our 2022 retail income includes £nil (2021: £1,582,000) received from local authorities through the Retail, Hospitality and Leisure Grant (RHLG) government coronavirus support scheme.

5. INVESTMENT INCOME

	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Dividends on investments listed on a recognised stock exchange	510	481
Interest on bank deposits and other investments	356	15
	866	496

6. OTHER INCOME

	Unrestricted funds £000	Restricted funds £000	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Rental income	2,575	-	2,575	2,410
Other income	410	101	511	1,033
	2,985	101	3,086	3,443

7. EXPENDITURE

(a)

Expenditure on raising funds	Grant funding of activities (note 7b) £000	Activities undertaken directly			Allocation of management and admin costs (note 7e) £000	Allocation of programme support costs (note 7e) £000	Year to 31/12/2022 £000	Year to 31/12/2021 £000
		Staff costs (note 8) £000	Other direct costs £000	Gifts in kind £000				
Expenditure on raising donations and legacies (note 7d)	134	10,298	10,573	96	3,271	-	24,372	23,280
Expenditure on other trading activities	-	2,543	4,592	-	607	-	7,742	7,511
Investment management costs	-	-	117	-	6	-	123	145
	134	12,841	15,282	96	3,884	-	32,237	30,936
Charitable activities								
Nutrition	16,103	258	198	2,008	1,137	1,460	21,164	17,744
Livelihoods	26,511	550	396	135	1,695	2,165	31,452	23,212
Health	37,213	468	238	420	2,342	3,015	43,696	31,276
Protection and rights	10,265	169	(126)	25	631	809	11,773	10,343
Education	45,949	1,960	995	110	3,094	3,845	55,953	45,233
Rapid onset emergencies	51,996	7,901	8,070	(7)	4,035	4,640	76,635	64,416
	188,037	11,306	9,771	2,691	12,934	15,934	240,673	192,224
Advocacy and awareness (note 7c)	44	5,911	2,382	-	1,791	654	10,782	10,331
Total charitable activities	188,081	17,217	12,153	2,691	14,725	16,588	251,455	202,555
Support costs	328	16,889	17,249	862	(18,740)	(16,588)	-	-
Other expenditure ¹	-	-	2,548	-	131	-	2,679	2,437
Total expenditure	188,543	46,947	47,232	3,649	-	-	286,371	235,928
Prior year	139,411	46,561	46,253	3,703	-	-	235,928	

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 2022, 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/2022-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 31/12/2022 £000	Year to 31/12/2021 £000
Mass fundraising (including legacies)	19,854	19,403
Trusts and major donors	2,326	1,303
Corporate fundraising	2,192	2,574
	24,372	23,280

(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.

Management and administration costs	Basis of apportionment	Year to 31/12/2022 £000	Year to 31/12/2021 £000
General management	Pro-rata by expenditure	2,524	2,223
Governance	Pro-rata by expenditure	1,205	1,317
Human resources	Pro-rata by salary costs	2,370	2,614
Financial management	Pro-rata by expenditure	3,074	2,953
Premises and facilities	Pro-rata by building usage	3,922	3,893
Technology	Pro-rata by expenditure	5,480	6,080
Gifts in kind (pro-bono professional and legal services)	Pro-rata by expenditure	862	589
(Gains)/losses on foreign exchange	Pro-rata by expenditure	(698)	142
Defined benefit pension scheme costs ¹	Pro-rata by expenditure	1	4
		18,740	19,815
Programme support costs			
Core programme support costs			
Core contributions to SCI/SCA	Pro-rata by charitable expenditure	2,975	3,094
Programme support	Pro-rata by charitable expenditure	6,928	6,682
Central and regional operating costs to SCI	Pro-rata by charitable expenditure	3,756	3,606
		13,659	13,382
Additional contributions			
Contribution to growth of other Save the Children members	Pro-rata by charitable expenditure	-	250
SCI strategic investment funding	Pro-rata by charitable expenditure	2,929	2,619
		2,929	2,869
Total programme support		16,588	16,251
Total support costs			
		35,328	36,066
Financed by unrestricted funds			
		24,585	27,861
Charged to restricted awards			
		1,457	1,493
Indirect cost recovery ²			
		9,286	6,712
		35,328	36,066

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 31/12/2022 £000	Year to 31/12/2021 £000
Group auditor's remuneration		
Audit of charity ¹	207	143
Audit of subsidiaries	48	43
Total audit	255	186
Audit related assurance services	8	2
Total assurance services	8	2
Other non-audit services	-	-
Total non-audit services	-	-
Total fees	263	188

¹ Audit fees payable for the charity in 2022 include additional one-off fees incurred during 2022 for the 2021 audit which were not included in the 2021 disclosure.

	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Lease rentals: land and buildings		
Retail	2,260	2,376
Programme offices	105	168
Headquarters	4,327	4,505
	6,692	7,049

Ex-gratia payments

There were no ex-gratia payments made in the reporting period (2021: nil).

8. STAFF COSTS

(a)	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Wages and salaries	38,252	38,035
National Insurance	4,510	4,204
Pension costs defined contribution scheme	2,081	2,117
Pension costs defined benefit scheme	182	179
Other staff costs	1,922	2,026
	46,947	46,561

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

Included within staff costs is £326,406 (2021: £376,240) 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 31/12/2022 number	Year to 31/12/2021 number	Year to 31/12/2022 number	Year to 31/12/2021 number
Charitable activities	588	607	569	588
Raising funds	274	297	269	292
	862	904	838	880

8. STAFF COSTS (CONTINUED)

(c) At 31 December 2022, the number of staff was as follows:

	Headcount ¹ number	Headcount equivalent ² number
UK HQ	680	666
UK non-HQ	151	143
International	13	13
	844	822

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 31/12/2022 number	Year to 31/12/2021 number
£60,001-£70,000	35	34
£70,001-£80,000	13	13
£80,001-£90,000	7	5
£90,001-£100,000	4	3
£100,001-£110,000	1	1
£110,001-£120,000	3	2
£120,001-£130,000	3	2
£140,001-£150,000	1	-
£170,001-£180,000 ¹	-	1
	67	61

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

(e) 2022 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 2022 was £886,082 (2021: £1,028,071). A detailed breakdown by executive director is included on page 51 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 31/12/2022 number of trustees	Year to 31/12/2021 number of trustees	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Expenses including travel and subsistence	1	-	2	-

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

Save the Children has purchased indemnity insurance at a cost of £30,800 (2021: £28,000) 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 2022, the trustees made unconditional donations of £145,336 (2021: £154,735) 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 31/12/2022 £000	Year to 31/12/2021 £000
Funds transferred for programme delivery	148,320	107,976
Country operating costs	2,196	2,815
Central and regional operating costs	3,756	3,606
Core contributions	2,975	3,094
Member growth	-	250
Strategic investment funding	2,928	2,619
Quality Impact Fund	850	1,563
Reimbursements	-	(1)
	161,025	121,922
Balance sheet items	As at 31/12/2022 £000	As at 31/12/2021 £000
Prepayment for programme activity	3,433	4,001
Cost of services incurred by Save the Children UK/(SCI) to be settled in the future	(276)	(289)
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 2022	12,592	116	12,708
Transfers of assets available for use	60	(60)	-
Cost at 31 December 2022	12,652	56	12,708
Accumulated amortisation at 1 January 2022	12,304	-	12,304
Charge for the year	176	-	176
Accumulated amortisation at 31 December 2022	12,480	-	12,480
Net book value at 31 December 2022	172	56	228
Net book value at 31 December 2021	288	116	404

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 2022	1,210	6,622	64	7,896
Additions	80	318	–	398
Disposals	–	(95)	–	(95)
Cost at 31 December 2022	1,290	6,845	64	8,199
Accumulated depreciation at 1 January 2022	633	5,593	63	6,289
Charge for the year	43	332	–	375
Disposals	–	(75)	–	(75)
Accumulated depreciation at 31 December 2022	676	5,850	63	6,589
Net book value at 31 December 2022	614	995	1	1,610
Net book value at 31 December 2021	577	1,029	1	1,607

(b) Capital expenditure contracted for but not provided in the financial statements was £nil (2021: £nil).

13. INVESTMENTS

	Notes	Group 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Fixed asset investments	13a	42,133	39,818	42,133	39,818
Investment in SCI		955	955	955	955
Investment in subsidiary	13b	–	–	275	275
Total investments		43,088	40,773	43,363	41,048

(a) Fixed asset investments

	Group 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Market value at start of year	39,818	36,977	39,818	36,977
Acquisitions	10,500	4,106	10,500	4,106
Sales proceeds	(5,071)	(4,897)	(5,071)	(4,897)
Net movement in cash balances	(429)	791	(429)	791
Net realised investment gains	703	869	703	869
Net unrealised investment (loss)/gain	(3,388)	1,972	(3,388)	1,972
Market value at end of year	42,133	39,818	42,133	39,818

The market value is represented by:

	Group 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Equities and commodities	17,362	21,015	17,362	21,015
Bonds	3,704	2,536	3,704	2,536
Cash and cash equivalents	21,067	16,267	21,067	16,267
	42,133	39,818	42,133	39,818

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) ¹	02823935 1135111	UK	International development and humanitarian response charity	30 Jun
Humanitarian Leadership Academy (HLA) ²	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 2022 have been consolidated.

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

¹ Merlin joined forces with Save the Children Fund in July 2013. All charitable operations were transitioned to Save the Children Fund, or closed down, by April 2016 and Merlin is now in the process of winding down. Merlin has made a charitable grant under which legacy and other income received by Merlin is paid to Save the Children Fund to fund emergency health work.

² 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 Humanitarian Leadership Academy. A guarantee has been given by Save the Children UK under s479C of the Companies Act 2006 which entitles exemption from audit for Humanitarian Leadership Academy under s479A of the Act relating to subsidiary companies. Humanitarian Leadership Academy is no longer active and has no financial results in the current or prior year to include in Note 14a below.

(a) Subsidiary financial results

	Save the Children (Sales) Ltd		Merlin		HLA Enterprises Ltd		Elrha	
	Year to 31/12/2022 £000	Year to 31/12/2021 £000	Year to 31/12/2022 £000	Year to 31/12/2021 £000	Year to 31/12/2022 £000	Year to 31/12/2021 £000	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Income	1,082	936	359	467	409	451	9,608	9,372
Expenditure	(972)	(883)	(1,839)	(172)	(374)	(426)	(9,413)	(9,463)
Net income/(expenditure)	110	53	(1,480)	295	35	25	195	(91)
Donation to parent charity	(110)	(53)	-	-	(35)	(25)	-	-
Net movement in funds	-	-	(1,480)	295	-	-	195	(91)
	As at 31/12/2022 £000	As at 31/12/2021 £000	As at 31/12/2022 £000	As at 31/12/2021 £000	As at 31/12/2022 £000	As at 31/12/2021 £000	As at 31/12/2022 £000	As at 31/12/2021 £000
Assets	302	294	2,500	2,820	161	192	1,511	571
Liabilities	(52)	(44)	(1,343)	(183)	(136)	(167)	(1,040)	(295)
Net assets	250	250	1,157	2,637	25	25	471	276

14. GROUP MEMBERS (CONTINUED)

(b) Associate undertakings

During the year, Save the Children UK received £25,000 (2021: £25,000) as grant funding and £1,000 (2021: £1,000) as an administration fee from William Belmer Rush Foundation.

	Group Year to 31/12/2022 £000	Group Year to 31/12/2021 £000
Investment in associates		
At 1 January	674	591
Share of retained (loss)/profit for the year	(78)	83
At 31 December	596	674

(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 31/12/2022 £000	Group 31/12/2021 ¹ £000	Charity 31/12/2022 £000	Charity 31/12/2021 ¹ £000
Gift in kind stock for distribution	315	343	315	343
Emergency	11	11	11	11
Goods for resale	76	99	-	-
Head office	22	19	22	19
	424	472	348	373

16. DEBTORS

(a) Grant debtors

	Group 31/12/2022 £000	Group 31/12/2021 ¹ £000	Charity 31/12/2022 £000	Charity 31/12/2021 ¹ £000
UK and other national governments	1,619	2,206	1,130	1,740
European Commission (including European Community Humanitarian Aid Office)	4,628	7,087	4,628	7,087
Education Cannot Wait	450	28	450	28
United Nations	8,879	2,736	8,879	2,736
Corporate partners	2,057	2,303	2,057	2,303
Other	3,016	4,222	2,978	4,171
Total grant debtors	20,649	18,582	20,122	18,065

Grant debtors above include amounts both billed and unbilled.

¹ The presentation of this note has been amended in the year. The 2021 comparatives have been recategorised to ensure consistency, however there is no impact on the overall totals.

16. DEBTORS (CONTINUED)

(b) Other debtors	Group 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Trade debtors	388	1,776	290	1,648
Legacy debtors	15,462	15,466	15,008	15,245
Taxes recoverable	940	1,218	940	1,216
Prepayments and accrued income	6,287	5,405	6,281	5,354
Save the Children International	3,157	3,713	3,157	3,713
Other debtors	371	363	366	355
	26,605	27,941	26,042	27,531

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 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Trade creditors	2,698	4,178	2,558	3,683
Taxes and social security	1,071	1,057	1,026	1,015
Amount owed to subsidiary undertakings	-	-	1,833	4,999
Accruals	4,607	5,256	4,159	4,913
Deferred income ¹	57,977	51,238	57,374	49,259
Operating lease incentives ²	179	179	179	179
Grant obligations	-	27	-	-
Other creditors	24	342	24	318
	66,556	62,277	67,153	64,366
(b) Amounts falling due in more than one year				
Operating lease incentives ²	849	1,028	849	1,028
	849	1,028	849	1,028

¹ The deferred income represents cash received from donors prior to entitlement under our income recognition policy. Deferred income of £49,754,000 arose in the year and £43,014,000 brought forward from 2021 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 01/01/2022 £000	Provision created/ (released) £000	Provision utilised £000	Total 31/12/2022 £000
Dilapidations	1,754	26	(80)	1,700
Grants	3,523	(251)	(200)	3,072
Other	1,274	(279)	-	995
	6,551	(504)	(280)	5,767

Charity	At 01/01/2022 £000	Provision created/ (released) £000	Provision utilised £000	Total 31/12/2022 £000
Dilapidations	1,754	26	(80)	1,700
Grants	3,490	(218)	(200)	3,072
Other	1,217	(222)	-	995
	6,461	(414)	(280)	5,767

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.

Other provisions represent estimates of tax liabilities, onerous lease obligations and other provisions required to be recognised that do not fit into the categories above.

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 31/12/2022 £000	Total 31/12/2021 £000
Within one year	6,497	6,178
Between two and five years	21,803	19,632
After five years	3,582	7,395
	31,882	33,205

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. Where we have been notified of a reduction to the award value following UK Government aid cuts we have amended this disclosure accordingly. Commitments could decrease further if additional cuts are made.

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 31/12/2022 £000	Group 31/12/2021 £000	Charity 31/12/2022 £000	Charity 31/12/2021 £000
Within one year	164,736	137,976	149,784	127,308
Between two and five years	91,161	53,939	79,895	50,176
After five years	3,258	4,006	3,258	4,006
	259,155	195,921	232,937	181,490

(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 £9.1 million (2021: £13.2 million). A provision of £0.8 million (2021: £2 million) has been recognised as at 31 December 2022 in respect of grants where Save the Children UK does not expect to be able to find donors for these over the remaining life of the projects.

(c) 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 relies primarily 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 USD \$20 million in the event that the members choose to cease SCI's programming activity. At 31 December 2022, Save the Children UK's share of this was approximately USD \$2.4 million (2021: \$2.5 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 USD \$6.2 million, of which Save the Children UK's share is USD \$3.1 million. This facility is provided in the event of SCI requiring reserves. SCI holds 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 2022 no amounts had been drawn down on this facility.

(d) 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 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2022 £000
Unrestricted funds						
General reserve	33,122	78,541	(69,278)	555	(393)	42,547
Revaluation reserve	5,882	-	-	(2,586)	-	3,296
Designated funds:						
Fixed asset reserve	1,658	-	(519)	-	398	1,537
Programme related investment	955	-	-	-	-	955
Associates (note 14)	675	-	-	(78)	-	597
Merlin	2,480	355	165	-	(2,000)	1,000
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	45,063	78,896	(69,632)	(2,109)	(1,995)	50,223
Pension reserve (note 25)	(120)	-	(183)	(24)	263	(64)
Total unrestricted funds	44,943	78,896	(69,815)	(2,133)	(1,732)	50,159
All restricted and endowed funds						
Restricted income funds (note 22)	14,035	215,460	(216,556)	-	1,732	14,671
Endowment funds	5,499	-	-	(654)	-	4,845
Total restricted funds	19,534	215,460	(216,556)	(654)	1,732	19,516
Total funds	64,477	294,356	(286,371)	(2,787)	-	69,675

(b) Charity	At 01/01/2022 £000	Income £000	Expenditure £000	Other gains/(losses) £000	Transfers £000	At 31/12/2022 £000
Unrestricted funds						
General reserve	33,122	77,185	(67,922)	555	(394)	42,546
Revaluation reserve	5,882	-	-	(2,586)	-	3,296
Designated funds:						
Fixed asset reserve	1,658	-	(519)	-	398	1,537
Programme related investment	955	-	-	-	-	955
Associates (note 14)	-	-	-	-	-	-
Merlin	-	-	-	-	-	-
St John's Lane reserve fund	291	-	-	-	-	291
Total unrestricted funds excluding pension reserve	41,908	77,185	(68,441)	(2,031)	4	48,625
Pension reserve (note 25)	(120)	-	(183)	(24)	263	(64)
Total unrestricted funds	41,788	77,185	(68,624)	(2,055)	267	48,561
All restricted and endowed funds						
Restricted income funds (note 22)	13,604	208,795	(208,088)	-	(267)	14,044
Endowment funds	5,499	-	-	(654)	-	4,845
Total restricted funds	19,103	208,795	(208,088)	(654)	(267)	18,889
Total funds	60,891	285,980	(276,712)	(2,709)	-	67,450

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.

21. STATEMENT OF FUNDS (CONTINUED)

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 headquarters under its lease with Standard Life 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).

Prior-year comparatives:

(c) 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)

(d) 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

22. RESTRICTED FUNDS

(a) Group

Restricted funds comprise unexpended balances on donations and grants given for specific purposes. These are shown below.

	At 01/01/2022 reclassified ¹ £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2022 £000
Regions					
East Africa	345	57,350	(57,498)	1,030	1,227
Southern Africa	204	2,019	(2,092)	(87)	44
West and Central Africa	931	15,338	(16,753)	407	(77)
Asia	125	16,654	(16,891)	147	35
Latin America and Caribbean	22	(42)	21	-	1
Middle East and South-East Europe	123	15,297	(15,285)	1,357	1,492
United Kingdom	2,676	6,166	(5,628)	622	3,836
Multi-region	2,519	7,460	(10,089)	2,191	2,081
Emergency Appeals					
Ukraine	-	32,561	(24,982)	(5,500)	2,079
Pakistan	-	3,532	(2,642)	(650)	240
Afghanistan	332	5,587	(5,046)	(800)	73
Syria	1,155	105	2	(1,161)	101
Yemen	1,300	198	(23)	(1,420)	55
Covid-19	115	2,545	(2,545)	(115)	-
Other appeals	81	64	24	(75)	94
Other Funds					
The Emergency Fund ²	642	8,521	210	(7,589)	1,784
SCI Humanitarian Fund	-	-	(15,380)	15,380	-
Thematic/country funds ³	102	1,117	(91)	(781)	347
Start Network	2,237	29,053	(30,000)	(1,224)	66
Elrha	275	9,619	(9,423)	-	471
Other	851	2,316	(2,445)	-	722
	14,035	215,460	(216,556)	1,732	14,671

¹ Individual funds brought forward have been reclassified 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 The Emergency Fund (previously referred to as the Children's Emergency Fund) are 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 01/01/2022 recategorised ¹ £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2022 £000
Regions					
East Africa	345	57,350	(57,498)	1,030	1,227
Southern Africa	203	2,019	(2,092)	(87)	43
West and Central Africa	925	15,337	(16,753)	407	(84)
Asia	48	16,654	(16,891)	147	(42)
Latin America and Caribbean	21	(42)	21	-	-
Middle East and South-East Europe	108	15,298	(15,285)	1,357	1,478
United Kingdom	2,676	6,177	(5,639)	622	3,836
Multi-region	2,463	9,460	(10,089)	191	2,025
Emergency Appeals					
Ukraine	-	32,561	(24,982)	(5,500)	2,079
Pakistan	-	3,532	(2,642)	(650)	240
Afghanistan	331	5,587	(5,046)	(800)	72
Syria	1,154	105	2	(1,161)	100
Yemen	1,302	198	(23)	(1,420)	57
Covid-19	115	2,545	(2,545)	(115)	-
Other appeals	81	64	24	(75)	94
Other Funds					
The Emergency Fund ²	642	8,521	210	(7,588)	1,785
SCI Humanitarian Fund	-	-	(15,380)	15,380	-
Thematic/country funds ³	103	1,117	(91)	(781)	348
Start Network	2,237	29,053	(30,000)	(1,224)	66
Elrha	-	943	(943)	-	-
Other	850	2,316	(2,446)	-	720
	13,604	208,795	(208,088)	(267)	14,044

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 The Emergency Fund (previously referred to as the Children's Emergency Fund) are 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)

(c) Included in the restricted fund balances are the following:

	At 01/01/2022 £000	Income £000	Expenditure £000	Transfers £000	At 31/12/2022 £000
National Lottery Community Fund					
Emerging Futures	-	1	(1)	-	-
Building Sustainable Livelihoods and Resilient Communities	-	16	(16)	-	-
Eat, Sleep, Learn, Play! in Scotland	-	1	(1)	-	-
Third Sector Early Intervention Fund	-	18	-	-	18
	-	36	(18)	-	18

23. ENDOWMENT FUNDS – GROUP AND CHARITY

Movements on endowment funds for the year

	At 01/01/2022 £000	Other gains/(losses) £000	At 31/12/2022 £000
The Oliver Children's fund	5,499	(654)	4,845
	5,499	(654)	4,845

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Group

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2022 £000
Tangible and intangible fixed assets	301	-	1,537	-	-	-	1,838
Fixed asset investments	33,991	3,296	1,552	-	-	4,845	43,684
Current assets	23,329	-	1,291	-	72,769	-	97,389
Current liabilities	(8,458)	-	-	-	(58,098)	-	(66,556)
Non-current liabilities	(849)	-	-	-	-	-	(849)
Provisions for liabilities and charges	(5,767)	-	-	-	-	-	(5,767)
Pension liability	-	-	-	(64)	-	-	(64)
	42,547	3,296	4,380	(64)	14,671	4,845	69,675

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**(b) Charity**

Fund balances at 31 December 2022 are represented by:	General funds £000	Revaluation reserve £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total 31/12/2022 £000
Tangible and intangible fixed assets	301	-	1,537	-	-	-	1,838
Fixed asset investments	34,267	3,296	955	-	-	4,845	43,363
Current assets	24,253	-	291	-	71,538	-	96,082
Current liabilities	(9,659)	-	-	-	(57,494)	-	(67,153)
Non-current liabilities	(849)	-	-	-	-	-	(849)
Provisions for liabilities and charges	(5,767)	-	-	-	-	-	(5,767)
Pension liability	-	-	-	(64)	-	-	(64)
	42,546	3,296	2,783	(64)	14,044	4,845	67,450

Prior period comparatives:**(c) 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

(d) 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 and charges	(6,461)	-	-	-	-	-	(6,461)
Pension liability	-	-	-	(120)	-	-	(120)
	33,122	5,882	2,904	(120)	13,604	5,499	60,891

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 31/12/2022 £000	Defined benefit scheme £000	Pension Trust growth plan £000	Year to 31/12/2021 £000
Net pension liability at start of year	-	120	120	2,236	521	2,757
Expenses	182	-	182	179	-	179
Net interest expense	(395)	1	(394)	3	1	4
Contributions by employer	(208)	(55)	(263)	(4,241)	(123)	(4,364)
Net actuarial losses/(gains) in the year	16,375	(2)	16,373	(19,744)	(279)	(20,023)
Losses due to benefit changes	-	-	-	-	-	-
Unrecognised surplus/effect of asset ceiling	(15,954)	-	(15,954)	21,567	-	21,567
Net pension liability at 31 December	-	64	64	-	120	120

(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.

Long-dated AA corporate bond yields (used to set the discount rate under the accounting standard) have increased by 3.2% (from 1.83% to 5.03%) over the period. This is part reflects a tightening of monetary policy and therefore a higher interest rate environment as the Bank of England seeks to mitigate inflationary pressures, with RPI and CPI inflation trending significantly above expected long term levels during 2022. The period of market volatility during September to October 2022 in the wake of the mini-budget has also increased focus on investment portfolios and risk disclosures, particularly around asset and liability matching strategies. The Pensions Trust operate an interest rate hedge so that asset values move in line with pension liabilities in the event of changes in interest rates. This hedge remained in place during the period of market volatility. A further scheme funding valuation was performed to 30th September 2022. At that date, the scheme was in an estimated deficit of £0.7m, comprising assets of £149.3m less estimated liabilities of £150m, with a funding position of 100%.

25. PENSION COSTS (CONTINUED)

(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.

(d) FRS 102 valuation of the defined benefit scheme as at 31 December 2022

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 £000	Present value of scheme liabilities £000	Scheme assets less scheme liabilities £000
Scheme assets/(liabilities) at start of year	228,081	(206,514)	21,567
Expenses	(182)	-	(182)
Interest income/(cost)	4,115	(3,720)	395
Actuarial gain	(81,254)	64,879	(16,375)
Contributions by employer	208	-	208
Benefits paid	(6,511)	6,511	-
Scheme assets/(liabilities) at the end of year	144,457	(138,844)	5,613
Provision for loss due to benefit changes			-
Unrecognised surplus scheme assets			(5,613)
Scheme assets/(liabilities) recognised at the end of year			-

25. PENSION COSTS (CONTINUED)

(e) Amounts recognised in the statement of financial activities	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Interest income	4,115	2,999
Interest expense	(3,720)	(3,002)
Interest on effect of asset ceiling	(395)	-
Net interest expense	-	(3)
Expenses	(182)	(179)
Provision for benefit changes	-	-
Total expense/(income)	(182)	(182)
Net actuarial gains/(losses) in the year	(16,375)	19,744
Unrecognised surplus/effect of asset ceiling	15,954	(21,567)
Interest on effect of asset ceiling	395	-
Total increase/(decrease) in net funds	(208)	(2,005)

(f) The assets at 31 December 2022 are represented by:	At 31/12/2022 Fair value £000	At 31/12/2021 Fair value £000
Equities	3,594	32,746
Bonds	69,664	93,348
Property	17,609	20,769
Cash	1,381	2,029
LDI	41,345	55,576
Other	10,864	23,613
Scheme assets	144,457	228,081

(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 31/12/2022 % p.a.	Year to 31/12/2021 % p.a.
Discount rate	5.03	1.83
Inflation (RPI)	3.15	3.31
Inflation (CPI)	2.84	2.96
Deferred revaluation: RPI max 5% p.a.	3.15	3.31
Pension increases in payment: CPI max 5% p.a.	2.78	2.90
Pension increases in payment: CPI max 2.5% p.a.	1.98	2.00
Pension increases in payment: CPI max 3% p.a.	2.24	2.30

Demographic assumptions

Mortality	Year to 31/12/2022	Year to 31/12/2021
Base tables	S3PXA	S3PXA
Loading on base tables	107%	107%
Improvement allowance, for males	CMI_2021 (1.5%)	CMI_2020 (1.5%)
Improvement allowance, for females	CMI_2021 (1.25%)	CMI_2020 (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 2022 identified a surplus of £5.6m 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–£61m of liability (calculated on FRS 102 assumptions based on financial conditions as at 31 December 2022). This estimate is based on the current investment strategy and applicable valuation assumptions. 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, we may seek to change the future investment strategy of the scheme and 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 31/12/2022 £000	Year to 31/12/2021 £000
Pension contributions	2,081	2,117
	At 31/12/2022 £000	At 31/12/2021 £000
Outstanding pension contributions	-	316

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 (2021: £0.1 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 2022 Save the Children UK paid £55k (2021: £123k). Contributions from April 2023 are £32k 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 31/12/2022 £000	Year to 31/12/2021 £000
Provision at the start of the period	120	521
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(55)	(123)
Remeasurements – impact of any change in assumptions	(2)	(1)
Remeasurements – amendments to the contribution schedule	–	(278)
Provision at the end of the period	64	120
Amounts recognised in the statement of financial activities	Year to 31/12/2022 £000	Year to 31/12/2021 £000
Interest expense	1	1
Remeasurements – impact of any change in assumptions	(2)	(1)
Remeasurements – reduction in future agreed contributions	–	(278)
	(1)	(278)
Financial assumptions	Year to 31/12/2022 % p.a.	Year to 31/12/2021 % p.a.
Rate of discount	4.96	1.18

**26. SAVE THE CHILDREN UK CHARITY – STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2022 £000	Unrestricted funds £000	All restricted and endowment funds £000	Total funds year to 31/12/2021 £000
Income and endowments from:						
Donations and legacies	65,607	34,459	100,066	64,366	19,944	84,310
Charitable activities	-	174,225	174,225	-	136,864	136,864
Other trading activities	8,154	-	8,154	6,633	-	6,633
Investments	866	-	866	496	-	496
Other	2,558	111	2,669	2,874	96	2,970
Total income	77,185	208,795	285,980	74,369	156,904	231,273
Expenditure on:						
Raising funds	30,603	663	31,266	28,673	1,380	30,053
Charitable activities						
Nutrition	2,388	18,817	21,205	3,221	14,682	17,903
Livelihoods	3,341	28,111	31,452	3,826	19,386	23,212
Health	4,094	39,685	43,779	5,350	26,242	31,592
Protection and rights	1,219	10,554	11,773	1,591	8,752	10,343
Education	5,871	50,082	55,953	7,902	37,331	45,233
Rapid onset emergencies	10,535	57,287	67,822	12,956	42,936	55,892
Advocacy and awareness	7,904	2,879	10,783	7,115	3,216	10,331
Total charitable activities	35,352	207,415	242,767	41,961	152,545	194,506
Other	2,669	10	2,679	2,430	7	2,437
Total expenditure	68,624	208,088	276,712	73,064	153,932	226,996
Net (losses)/gains on investments	(2,031)	(654)	(2,685)	2,207	634	2,841
Net income/(expenditure)	6,530	53	6,583	3,512	3,606	7,118
Transfers between funds	267	(267)	-	458	(458)	-
Actuarial losses on defined benefit pension scheme	(24)	-	(24)	(1,544)	-	(1,544)
Net movement in funds	6,773	(214)	6,559	2,426	3,148	5,574
Fund balances brought forward	41,788	19,103	60,891	39,362	15,955	55,317
Fund balances carried forward	48,561	18,889	67,450	41,788	19,103	60,891

27. INCOME FROM UK AND IRISH GOVERNMENTS

(a) Income from the Foreign, Commonwealth and Development Office in the year ended 31 December 2022

Countries supported	Project	£000
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES)	2
Afghanistan Country Office	Steps Towards Afghan Girls' Educational Success (STAGES) – Phase II	271
Bangladesh Country Office	Suchana – Ending the Cycle of Undernutrition in Bangladesh	4,082
DRC Country Office	Emergency FSL Reponse to affected population in Nyiragongo 2022	13
DRC Country Office	Girl's Education Challenge Transition	(3)
DRC Country Office	UK Aid Match Round 4	10
Mozambique Country Office	DFID COSACA Consortium	(32)
Mozambique Country Office	Drought and Food Insecurity in the Provinces of Gaza and Inhambane	32
Mozambique Country Office	Programme for Advancement of Girls' Education	(184)
Multi-country	Girl's Education Challenge	(190)
Multi-country	WASH Track 3 Intervention and rehabilitation of water resources	164
Multi-country	Working to Improve Newborn and Child Nutrition in Northern Nigeria	43
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
Nigeria Country Office	Child Development Grant Programme (CDGP), Northern Nigeria	(6)
Nigeria Country Office	Expanding Social Protection for Inclusive Development	1,537
Nigeria Country Office	FCDO Partnership for Learning for All (PLANE) 2021	123
Sierra Leone Country Office	Freetown WASH Consortium (FWC) 3b	(6)
Somalia Country Office	Community Health and Nutrition through Local Governance and Empowerment (CHANGE) programme	(6)
Somalia Country Office	BRCIS IRF FCDO	385
Somalia Country Office	FCDO Scale up of life saving Health and Nutrition services in Somalia	111
Somalia Country Office	Somalia 2022 Drought Response – BRCIS Programme To-Up	1,423
Somalia Country Office	Somalia Humanitarian and Resilience Programme (SHARP) Phase II	959
Start Network	Start Earthquake 2022	5
Start Network	Start Fund Bangladesh Phase 3	1,319
Start Network	Start Fund Nepal Contribution 2021-2022	92
Start Network	Start Response to flooding in Tonj-South, SSD 2021	2
Start Network	Start Fund 2018-2022	10,687
Start Network	Start Fund Nepal FCDO	513
Start Network	Start Network Crisis and Disaster Risk Financing 2019	2,360
Start Network	FCDO Start Fund 2022-2025	2,834
Start Network	Start Ready – Crisis and Disaster Risk Financing	48
Syria Response Office	Immediate Relief for Detained Children in NE Syria	129
Tanzania Country Office	Increasing Access to Education in Zanzibar	176
Turkey Country Office	Humanitarian Relief for children and their families affected by conflict in Syria	(130)
Turkey Country Office	Strengthening Social Connectedness and Reducing Inequalities Among the Most Marginalised and Vulnerable Children in NES	1,770
Uganda Country Office	ULEARN 2019	814
United Kingdom	Elrha – Research for Health in Humanitarian Crises (R2HC) Phase 3 – FCDO	113
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4	1,277
United Kingdom	SUN CSN Support 2018-2021	3
United Kingdom	Elrha – DFID/FCDO 2019-2023 – Humanitarian Innovation Fund/Community-Led Innovation/Global	4,000
		34,742

27. INCOME FROM UK AND IRISH GOVERNMENTS (CONTINUED)**Income from the UK Department of Health in the year ended 31 December 2022**

Countries supported	Project	£000
United Kingdom	Research for Health in Humanitarian Crises (R2HC) Phase 4 – DHSC	198
		198
Total UK central government income		34,940

(b) Income from the Irish government in the year ended 31 December 2022

Countries supported	Project	£000
Ethiopia Country Office	ECSC-SUN Irish Aid Funding 2022/23	40
Ethiopia Country Office	Irish Aid Contingency support to SWAN for Tigray Conflict	6
Ethiopia Country Office	Irish Aid Gender Equality	1,586
Ethiopia Country Office	Irish Aid Support for ECSC-SUN 2021–25	268
Ethiopia Country Office	Ethiopia Irish Aid Humanitarian	(9)
Malawi Country Office	Pathways to resilience (P4R)_2019–2021	121
Malawi Country Office	P4R Phase II	343
Sierra Leone Country Office	Genda Bizness	83
Start Network	Irish Aid Start Fund Contributions 2021 and 2022	1,542
Start Network	Irish Aid Start Funding 2020–2021	41
United Kingdom	SUN CSN 2022–2025 Irish Aid	123
United Kingdom	SUN CSN Support 2018–2020	121
		4,265

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.



Save the Children Fund
1 St John's Lane,
London EC1M 4AR
+44 (0)20 7012 6400

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