

Save the Children  
International

Trustees' report,  
strategic report and  
financial statements for

2015



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## Save the Children International Trustees' report, strategic report and financial statements for 2015

The trustees are pleased to present their annual report, strategic report and the audited consolidated financial statements of Save the Children International and its trading subsidiaries for the year ended 31 December 2015.

# Who we are

**Our vision** is a world in which every child attains the right to survival, protection, development and participation.

**Our mission** is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.

**Our values** Accountability, Ambition, Collaboration, Creativity, Integrity.

Save the Children is the leading independent organisation for children. For nearly 100 years, we've worked to ensure all children realise their rights.

Save the Children comprises 29 members (26 full members and three associate members\*) as well as Save the Children International. All the members of Save the Children, with combined revenues of over \$2 billion, are working to deliver a shared strategy.

\* An associate member is entitled to use the Save the Children brand but, until progression to full membership, does not have rights under the Save the Children Bylaws, including those relating to voting rights.

# Message from our leadership

2015 was a momentous year for the world and for Save the Children. On the back of the Millennium Development Goals, world leaders agreed a new set of global goals, the Sustainable Development Goals, which are bolder and more comprehensive than ever before. We should feel proud of the influence we had on the content and articulation of the new goals, and it was great to see our 20 youthful ambassadors make their voices heard at the United Nations General Assembly.

This was an optimistic note on which to end 2015, but during the year the ongoing conflict in Syria has continued to make life a misery for children and their families, both for those in Syria as well as for the many thousands prompted to undertake the dangerous journey out. In Europe, as the reality hit, we have seen wonderful responses from volunteers and humanitarian organisations, but sadly this has not always been matched by the necessary political leadership. Save the Children has been stepping up to this challenge by providing help and support on the ground in almost all countries on the migration routes, from origin to destination, as well as advocating and campaigning for solutions.

We have grown our work this past year in the majority of our countries, responding to 99 emergencies and building on our long-standing presence, before and after crises, to make changes more sustainable. Together with partners and supporters, Save the Children has reached 62 million children worldwide (of which 59 million were in countries where Save the Children International works). This is more than ever before – and we are still at the beginning of what we can and should achieve.

## Looking forward

In 2015, we agreed a new strategy, Ambition for Children 2030. This truly global Save the Children strategy focuses on the most deprived and marginalised children and is unashamedly ambitious and bold, as it has to be if we want to be a reliable partner to achieve the Sustainable Development Goals. We have committed ourselves to three breakthroughs in the way the world treats children:

- no child dies from preventable causes before their 5th birthday
- all children learn from a quality basic education
- violence against children will no longer be tolerated

These ambitions will be much harder to achieve than anything we have done before! They will not just take us further into unsafe and hard-to-reach parts of the world, they will also propel us to take on the most difficult, intractable problems for children, confronting discrimination at all levels.

Externally, we will be campaigning and mobilising resources for our new global campaign, Every Last Child, to ensure that all children have their rights upheld, recognising that despite the enormous progress over the past decades for children on poverty, health and education, millions of children are still being left behind. And we will need to do this much more than before, together with children.

With our ambition comes the realisation and recognition that we need to be a high performing organisation, driving for more effectiveness and efficiencies and driving out internal complexity and cost to achieve these goals.

Overall, 2015 was a foundational year, setting the parameters of the way we will work together as one organisation, alongside children, partners and supporters, to create a movement of millions and strive for a world in which all children can fulfil their potential.

## A personal note


We are both very proud to have taken on the leadership in early 2016 of this inspiring organisation. We would like to recognise the enormous achievements of our predecessors, Jasmine Whitbread (as CEO) and Charles Perrin (as Chair), in leading the creation and development of Save the Children International over the last years and to thank Janti Soeripto for her great leadership as interim CEO following Jasmine's departure at the end of 2015. We are excited to be taking Save the Children International forward and to play our part in delivering the Save the Children strategy and making the world better for children.



**Helle Thorning-Schmidt**

CEO

Save the Children International



**Alan Parker**

Chair

Save the Children International

# What we achieved in 2015

## Our programmes

In 2015, Save the Children

- **directly reached 62 million** children through our and our partners' work
- responded to **99 emergencies across 59 countries**
- supported **22.6 million children through our health work**
- supported **12.2 million children through our education work**
- supported **2.6 million children through our child protection work**

Around 59 million of the children reached directly were in countries where Save the Children International works. Save the Children International operates in 69 countries through 56 country offices, six regional hubs and four advocacy offices as well as a central office in London. The only countries still due to transfer their programming activities from members to Save the Children International are Pakistan and Sudan.

During the year we continued our initiative of strengthening country office management structures, focusing on the 11 most challenging country environments. We have done this through investing significantly in system improvements, staff development, capability building and extra staffing to support country offices. We embedded global operations key performance indicators and have begun using these to measure key operational factors in more consistent and evidence-based ways.

We are implementing an integrated approach to monitoring, evaluation, accountability and learning (MEAL) for programme quality in 43 countries (up from 30 in 2014). This is shedding light on MEAL practices, which will inform more holistic MEAL policies and global standards.

## Humanitarian

In 2015, we progressed towards our goal to be the leading humanitarian response agency for children. We reached 5.7 million children affected by 99 emergencies, across 59 countries, up from 4.3 million children in 2014.

In order to deal with the evolving complex European Refugee and Migrants crisis, we have responded with operations along the transit routes travelled (from Greece, through the Former Yugoslavian Republic of Macedonia, Serbia, and Croatia). We have directly reached more than 450,000 people, including more than 190,000 children through protection activities, distribution of non-food items such as winter clothes and rubber boots, and through the distribution of hot food in transit camps. We have also been a vocal advocate for the rights of children and refugees.

As the drought conditions in Ethiopia intensified, we declared this a Category 1 emergency. A staggering 10.2 million people face critical food shortages, and Save the Children International has directly reached more than 1.4 million people (including over 800,000 children) through both immediate treatment and prevention of malnutrition and interventions that address the causes of malnutrition in a sustainable manner. The response strategy has been endorsed with a target spend of \$100 million to the end of 2016 to cover urgent life-saving activities.

We have evaluated the crisis in Yemen as a Category 2 country-wide chronic emergency. With 21 million people currently in need of assistance, including no less than 10 million children, Yemen currently remains the largest global emergency in terms of numbers.

In Syria we consolidated our programming using Child Protection as a cross-cutting theme. We decided to discontinue any direct programming, moving implementation exclusively to trusted partners in North-West Syria.

Other significant humanitarian achievements include supporting families and communities affected by the Nepal earthquake that struck in April last year.

## Global campaign and advocacy

2015 was the final year of EVERY ONE, our global campaign to catalyse progress towards the Millennium Development Goal of a two-thirds reduction in child mortality. To finish the job that Save the Children and others started, our advocacy helped to ensure that the global Sustainable Development Goals (SDGs) adopted in 2015 include a 2030 target to end preventable child deaths.

Our influencing of the post-2015 development agenda over the past three years also played an important part in ensuring that the SDGs included clear targets for boosting learning and tackling violence against children. In 2015, we worked with young child rights champions from 17 countries, to bring the messages from children around the world to the international gathering in New York. We also played a pivotal role in securing the principle of 'leave no one behind' in the SDG framework, echoing our own strategic focus on the most deprived and marginalised children.

Our advocacy and campaigns helped to deliver real change at the country level. In the Philippines, we campaigned successfully for the passage of a Children in Emergencies bill through Congress. This built on lessons learned from Typhoon Haiyan and will ensure that children are properly protected when disasters strike. In Bangladesh, we harnessed our experience of community case management of pneumonia to secure the roll-out of the pneumococcal vaccine as part of the national Child Health Strategy.

Finally, our advocacy on protecting schools from attack continued to make important progress. The *Safe Schools Declaration*, which we drafted with the Norwegian government, calls for the protection of schools from attack or military use. As of March 2016, 52 countries have now signed up to these guidelines, a crucial step towards ensuring that all children can learn.

## Our people

To achieve our ambitions, we need a workforce with the right capabilities and a shared culture across Save the Children.

In 2015 we conducted our first employee engagement survey, encompassing all 17,000 employees in Save the Children International. We had a response rate of 72%, meaning that more than 12,000 employees told us how they felt on 11 different topics including values, role, colleagues, leadership, communications and wellbeing. The results were very positive – our overall engagement score of 88% puts us in the top quartile of international non-governmental organisations.

The results also enabled us to identify two key areas for improvement. We know we have to work at ways to reduce workloads and simplify decision-making. We will also work to create environments where employees can raise concerns and express opinions openly, as well as providing timely performance feedback. We have put action plans in place at country, regional and global level to drive these changes and build on our strengths. Our 2017 employee engagement survey will aim to include both Save the Children International and Save the Children members.

We continued to increase the diversity of our leaders to provide a better reflection of the countries where we work. The proportion of country directors who are from the countries where we work grew steadily throughout the year, from 35% to 42%. The proportion of women leaders who are from the countries where we work remained around 30%. We will seek to accelerate progress on this in 2016 and beyond.

## Efficiency and effectiveness

In 2015 we carried out an exercise to gain a picture of our cost base across Save the Children as a whole, which identified areas of opportunity for greater efficiency in some of our support services. At our annual members' meeting in June we agreed that, in order to meet our new ambitions, we also have to work to reduce complexity and stress. We now understand much better where some of these opportunities lie and what it will take to turn them into reality. We will continue this effort in 2016.

The importance of achieving cost savings is underlined by the knowledge that we have to step up our investment in key areas, notably in information technology in order to equip our operational teams with robust fit-for-purpose infrastructure and systems that are suitable for dealing with our current demands. We know that we will also need to build up the skills and capacity of our people by investing in their learning and development.

A great example of the opportunities for Save the Children International to realise efficiencies on behalf of the wider organisation is shown by the newly formed Save the Children Treasury Unit. This was piloted successfully during 2015 and focused on providing treasury services for members, such as managing foreign exchange risk and ensuring that cash resources were optimised.

## Sustainable growth

Investment in strategic members continued in 2015, with a total of \$8 million invested through grants and loans in order to strengthen their development and demonstrate their potential to help grow our portfolio. We made significant progress by assisting Spain, Denmark and Germany to increase their level of unrestricted income.

Despite this progress, Save the Children faced challenges in raising income in some middle-income countries, where the needs of children will remain high over coming years. We need to strengthen our relationship with the public in all markets and to be more innovative in the way we attract new supporters, as well as grow engagement with the existing ones.

2015 was the first full year of investment in our prospect members (Indonesia, Colombia and the Philippines). These new fundraising countries now have ambitious teams in place, building robust local organisations that are well positioned to grow their impact for the most marginalised children. Our ambition is for them to become full members in due course.

# Looking ahead

Our mission is as urgent and relevant as ever: more children are surviving and thriving than ever before, but millions of children are denied their most basic rights and are unable to fulfil their potential.

Save the Children has a new global strategy – Ambition for Children 2030 – which will steer our work from 2016. Save the Children members and Save the Children International created and agreed this global strategy together. Now, we are working as one global movement to drive this shared strategy and ambition for children.

## Ambition for Children 2030

By 2030 we will inspire three specific breakthroughs for children:

**Survive:** No child dies from preventable causes before their fifth birthday

**Learn:** All children learn from a quality basic education

**Be protected:** Violence against children is no longer tolerated

To ensure that all children survive, learn and are protected, we will focus on reaching the most deprived and marginalised children, who are too often excluded from basic rights due to who they are and where they are from.

Over the next three years, we will make key investments in our ways of working so that we can accelerate our pace towards that ambition. Our dual focus in 2016 will be on completing key projects which will enhance our organisational efficiency and effectiveness; and increasing our unrestricted income so that we can direct our work towards achieving our strategic priorities.

## Over the next three years:

### We will continue to achieve results at scale

Within the next three years we want to increase the quality of our programming through the development and implementation of common, proven programme approaches. These will be adapted to local contexts where necessary and will span our five thematic areas:

- health and nutrition
- education
- child protection
- child rights governance
- child poverty

We have identified “best in practice” programmes that are evidence based, replicable and scalable (known as Signature Programmes). Our objective is that all Signature Programmes achieve national level impact in the country where they are situated and that they mobilise resources from across Save the Children in order to do this. We are conducting a review of the way we approach Signature Programmes in order to make sure this happens.

We need to strengthen our ability to respond to children in a humanitarian crisis by improving surge capacity, both in terms of speed as well as in terms of building and implementing our global surge roster. The Humanitarian Leadership Academy, inspired by Save the Children and now set up as a separate organisation, will be crucial to support frontline responses in the most disaster-prone areas.

**We will invest in maximising our knowledge, improving our culture of sharing and using our knowledge and expertise to improve the impact for children**

In 2016, we will begin to map our global expertise, to ensure our staff can benefit from the best advice and information available across the movement, to avoid reinventing wheels and capturing new knowledge along the way. We will also create a knowledge focused 'community of practice', aiming to multiply staff participation in knowledge management activities over the course of the year.

**We will become a movement of millions**

We will strengthen our voice for children through our new global campaign, Every Last Child, and create a refreshed global brand – helping to mobilise supporters around the world and to raise unrestricted income to drive our ambition for children.

Through our campaign, we will unite in country and regional offices and Save the Children members to advocate for groups of children who continue to have their basic rights denied. We aim to reach 1 million active supporters by the end of 2016 and have an increased public campaigning capacity in China, Latin America, Indonesia and the Philippines.

By creating a more unified, stronger and recognisable brand with which people engage around the world, we aim to increase our supporter base and grow our brand awareness by 2% in key markets over the course of the year.

We will focus on increasing global revenue, raising flexible funding and driving growth in strategic emerging middle-income countries. In 2016, we will aim to raise our unrestricted income by 8% (from \$423 million to \$456 million) and 'unlock' large funding markets in Spain, Denmark, Germany and the Netherlands.

**We will build a truly global, high-performing organisation**

We will become more agile, effective and efficient – reducing cost and complexity while improving the quality of our work. In order to achieve this, we will continue to develop networks across Save the Children to support collaboration and accountability.

In 2016, we will complete foundational design work across support service areas to better understand our current state: our organisational structure; the activities on which our staff spend their time; and the opportunities we have to increase efficiency. Additionally, we will begin to see results from a number of projects designed to improve our financial processes and systems. We aim to see a reduction in workloads, better information for management decisions and reinforced compliance to donor requirements.

Through our focus on people, we will invest in strengthening our Human Resources management and improving the quality and speed of recruitment within Save the Children International. Additionally, we will roll out a global induction process and key learning and development resources to all parts of Save the Children – to ensure a shared understanding of who Save the Children is, and to build the capacity and capability of our staff.



# Risk management and internal control

## Risk appetite

Save the Children International operates in some of the most difficult environments in the world to reach some of the most vulnerable children. It has an operational spectrum which ranges from programmes working to bring about long-term positive change, to emergency responses to natural disasters or medical crises such as Ebola, and in countries where there is enduring conflict.

We have a results-oriented view of risk management. This seeks to identify and manage the uncertainties that could affect our ability to achieve our objectives while also protecting our staff, assets and reputation. During 2015 we have tracked the operating performance of our country offices by means of a set of key performance indicators which measure financial spend against forecast; clearance of global assurance audit findings; compliance with donor requirements; security management; vacancy rate of key positions; and purchasing efficiency. The majority of indicators showed encouraging improvement by the end of the year, although further progress undoubtedly needs to be made.

The trustees recognise that in order to achieve our objectives, we must accept some risks that are outside our control and where the risk remains relatively high, even after mitigation. Therefore, the board has defined guidelines that provide us with a frame of reference for the conditions and factors that determine our risk appetite. These guidelines cover areas which include whether:

- the intervention is of an emergency life-saving nature
- we are able to reach significant numbers of children
- we are the only ones who have access to the vulnerable population
- our staff members are at risk of being targeted
- the intervention supports innovation

## Priority risks

We maintain a continual focus on priority risks which include:

- child safeguarding (see below)
- fraud, bribery and corruption (see below)
- terrorism financing
- safety and security of our staff, partners and beneficiaries

We take a systemic view of these risks, aiming to:

- train, raise awareness, and sensitise staff, partners, suppliers and other stakeholders to our policies, responsibilities and accountabilities
- mitigate the likelihood and potential impact of these risks through coherent risk management approaches
- detect, report and react to any incidents that occur despite best efforts to avoid them
- learn from any incident and improve training and mitigation

## Strategic risks

Save the Children International has also identified a number of key risks relating to implementation of our global strategy, which we are seeking to manage with members through a wide range of processes and initiatives.

### Specific risks resulting from implementation of the strategy

- increasing exposure to high-risk environments
- implementation of strategy distracting leadership from operations
- integrated brand and campaign platform magnifies global risks from local incidents

### Specific risks that could prevent delivery of the strategy

- insufficient unrestricted income
- failure to align resources behind strategic goals
- insufficient alignment and focus from leaders
- people capacity not developing at sufficient speed; lack of needed capabilities
- financial failure of one or more Save the Children member organisations

## Programmatic risks

While Save the Children country offices normally manage programmatic risks, we have elevated some of these risks to senior leadership attention because of their potential implications. As a result, dedicated resources, processes and policies have been – or are being – created to ensure global coherence in managing the following risk areas:

- construction; clinical services; and pharmaceuticals management for their potential to do harm to beneficiaries if mismanaged
- political and legal constraints on our humanitarian and development operations in many parts of the world, potentially compromising our impartiality and independence.

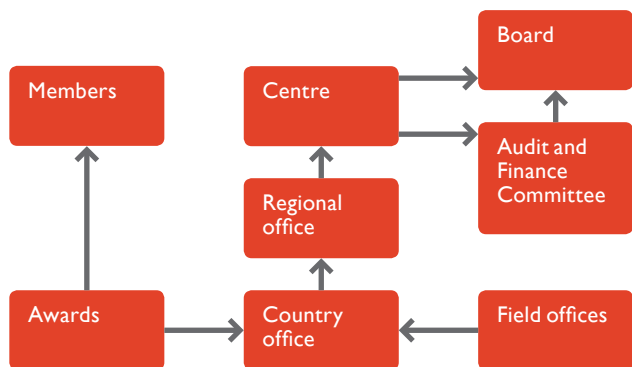


Figure 1: Risk reporting lines in Save the Children International

### Risk monitoring and reporting

Risk is documented and managed at three levels of Save the Children International: in our country offices, regional offices and at the central office, representing different operational and strategic levels and priorities.

On a quarterly basis, the Save the Children International senior leadership team formally reviews the key risks to the organisation's ability to achieve its objectives. This follows updates carried out throughout the reporting chain. Country offices and regional offices send their risk management plans to the centre where they are summarised. Risks are discussed with the Audit and Finance Committee quarterly and with the board twice a year. This allows the trustees to consider the major risks facing the organisation and satisfy themselves that they are being assessed and mitigated appropriately.

In 2015, to enable us to evaluate whether key risks are being appropriately mitigated, Save the Children International designated the following risks for mandatory country office reporting:

- child safeguarding incidents
- terrorism financing
- fraud incidents
- weaknesses in staff capacity
- weaknesses in logistics
- regulatory and donor compliance within Save the Children
- regulatory and donor compliance of our partners

In 2016, our regional offices and the Save the Children International risk manager will collect and assess these reports every quarter.

### Child safeguarding

Save the Children International has zero tolerance towards any deliberate harm of children by our representatives (whether staff, volunteers or others) and we pursue rigorous policies and procedures to prevent any unintended harm to the children we work with. We comply with Save the Children's Child Safeguarding Protocol (an organisational by-law). We have a Child Safeguarding Policy, along with a set of management standards, key performance indicators, training materials, safeguarding procedures, guidance and tools. In line with our strategy for 2016–2018, we have launched a Child Safeguarding Strategy focused on making Save the Children safe for children.

The vast majority of our staff and partners undertake their duties to the highest professional standards. Despite this and our vigilance, the scale and complexity of our work, the size of our workforce and the risks and vulnerabilities associated with the locations where we work mean that we should expect potential breaches of our child safeguarding policy from time to time. This is why we have established mechanisms that aim to prevent or handle swiftly and decisively any such issues that arise.

In 2015 we developed online training materials for staff and introduced online reporting to supplement our existing reporting systems. We also developed safeguarding materials aimed at children to increase their awareness of key issues.

During 2015, our child safeguarding procedures identified 55 internal cases relating to concerns raised regarding deliberate harm against children involving our staff members or representatives of our partner organisations (compared with 63 cases in 2014). They involved allegations of sexual abuse, physical abuse and accidental injury. A number of these cases involved staff having a sexual relationship with someone under 18 but over the local age of consent. While these actions were not illegal, they nevertheless breached our Code of Conduct and Child Safeguarding Policy and were treated accordingly.

Each complaint was thoroughly investigated with the following results:

- 22 cases were proven to be breaches of our policy (compared with 19 in 2014), leading to:
  - 3 cases being referred to the national authorities or police as they involved, or potentially involved, an illegal act. In addition, these individuals were dismissed.
  - 6 cases were dealt with internally under disciplinary procedures, resulting in formal warnings.
  - 13 cases were dealt with internally under disciplinary procedures, resulting in the dismissal of 16 members of Save the Children staff or partner representatives.
- 33 cases were disproved or unproven due to insufficient or unclear evidence.

In addition, there were 11 confirmed road traffic accidents involving children as a result of actions by Save the Children staff or partner representatives; and 18 concerns were raised regarding non-deliberate harm or accidents involving children.

Where cases are proven, the immediate welfare and health of the child or children and their longer term best interest are always our primary concern. We offer all appropriate and available support to these children. To continue to do everything in our power to make Save the Children safe for children, we also review each case to ensure that lessons are learned and systems strengthened as necessary.

We are planning to commission an independent external audit of child safeguarding in all country and regional offices, as well as in the London central office, to take place during the latter part of 2016.

### Fraud, bribery and corruption

Preventing and tackling fraud (including corruption, theft, criminal damage and negligent loss) is one of Save the Children International's operational priorities. We have zero tolerance of fraud and take any allegation of fraudulent behaviour extremely seriously. Our fraud management team tackles fraud through training staff and managing policies and reporting systems, including confidential whistleblowing. We work closely with the UK Charity Commission, Transparency International, USAID's Office of the Inspector General and other partner, donor and law enforcement agencies to ensure that our approaches reflect best practice.

In 2015 we strengthened our fraud management team with additional counter-fraud specialists covering Africa in particular. We developed a more transparent and effective fraud reporting system during the year, began to catalogue our data in ways that will facilitate detailed analysis and will strengthen other anti-fraud systems in 2016.

The number of reported incidents continued to increase – particularly in West and Central Africa – largely as a result of improved awareness of our policy and procedures. Of 329 reported incidents in 2015, 12 involved significant sums (greater than \$20,000). Many of these incidents are still under investigation. From 2013–2015, 37% of completed cases were unsubstantiated. More than two-thirds of allegations relate to theft or forgeries and 44 involved bribery or conflicts of interest.

### Global assurance

The purpose of Save the Children International's global assurance function is to provide the Chief Executive, the Board of Trustees through the Audit and Finance Committee, and Members with an independent and objective assessment of the risk, control and governance arrangements in place at Save the Children International. In practice, this means auditing a range of activities and processes, across all departments and overseas programmes and structures, as well as providing support and consultancy services to management. As a result of these audits, management develops and agrees action plans to address any control weaknesses and areas for improvement.

Executive management is responsible for establishing and operating a system of internal control that is appropriate for the needs of Save the Children International, which will enable it to deliver the strategy and objectives as agreed with the Board of Trustees. This system uses the three lines of defence model as follows:

- The first line of defence is provided by operational controls and a risk management framework which are integrated into the daily standard processes of our various activities.
- The second line of defence is management oversight of the operation of controls. This includes periodic risk reviews and regular meetings of financial control and assurance committees. It also includes specialist functions set up to support the control environment, including risk management, fraud management and local internal control functions.
- The third line of defence is the global assurance function. Its role is to provide independent assurance over both the adequacy and effectiveness with which the first two lines of defence have been designed and are operating.

Global assurance is overseen by the Audit and Finance Committee, which assesses the function's performance, guarantees its independence, approves its proposed strategies and plans and receives quarterly reports on key risk and control issues arising from its work. The committee seeks regular confirmation and evidence from management that actions it has agreed with the global assurance function have been implemented.

# Financial performance

In 2015, the increased reach of Save the Children International described in this report was reflected in a strong financial performance, with income growing by 10.2% to \$1,200 million. This growth was largely organic, whereas in prior years a significant factor in income growth was transitions of country offices from Save the Children member organisations. The only transition in 2015 was Guatemala. A new country office operation was set up in Greece to manage the European Refugee Response. Almost all income is received directly from members and this is analysed in note 2 to the accounts.

Our expenditure was \$1,159 million compared to \$1,073 million in 2014. The increase in expenditure is \$86 million (8.1%), of which some of the main elements are the humanitarian responses to Ebola in Sierra Leone and Liberia; to the drought in Ethiopia; and to the earthquake in Nepal. Activity in the Middle East and Eurasia region reduced by 15% to \$207 million due to reduced funding for the Syria crisis; while growth of 45%, also to \$207 million, was achieved by the West and Central Africa region, arising particularly in Niger and Nigeria as well as in the Ebola-affected countries. An analysis of expenditure by programmatic theme and geographic location is given in note 3 to the accounts.

The difference between the growth rates for income (10.2%) and expenditure (8.1%) is largely attributable to the \$11 million increase in stock during 2015, as the associated expenditure will be booked when the stock is distributed to beneficiaries. A further \$17 million of income, mainly related to pooled funds for emergency responses, was booked in 2015 in advance of the expenditure being incurred. These two elements, together with various other minor timing differences between expenditure and the receipt of income, contribute to net incoming resources for 2015 of \$41 million.

Consequently our balance sheet shows an increase in total net assets to \$111 million (2014 restated: \$70 million). The restatement of 2014 figures relates to the valuation in the balance sheet of stock in accordance with the new charities' Statement of Recommended Practice (FRS 102). Further details are given in note 7 to the accounts.

In addition to the increase in stock mentioned above, net assets include a 60% increase in cash and short term investments to \$172 million (2014: \$107 million). This arises principally from a change during 2015 to receiving programming expenditure from members based on forecasts rather than retrospectively based on actual results. The forecast for December 2015 correctly anticipated a high level of expenditure and thereby generated a strong cash position, in order to settle the related payments in early 2016. Cash balances during 2016 have now returned to a more normal, lower level.

## Reserves

We hold reserves for the following purposes:

- coverage of our operating expenses in the event of a downturn in income and / or unforeseen increases in costs
- to meet the costs of unforeseen liabilities for employment or other legal claims not covered by insurance
- protection against foreign exchange losses
- to cover the associated costs in the event of closure or wind-down of our core operations. Costs associated with the closure / wind down of international programming work are covered separately by member indemnities up to a maximum of \$20 million.

At 31 December 2015 we held unrestricted funds of \$17.5 million (2014 restated: \$16.3 million) and restricted funds of \$93.3 million (2014 restated: \$53.6 million). Restricted funds are those funds that have been received for particular purposes and projects. A detailed summary of all funds and reserves is shown in note 15 to the accounts.

Unrestricted funds include our international programming reserve balance, which stands at 31 December 2015 at its target level of \$15 million. This is made up of \$8.2 million contributed by members in cash and a transfer from general funds during 2015 of \$620,000, together with an additional \$6.2 million committed by members in the form of letters of credit which give us unconditional and irrevocable access on demand to funds in the event of reserves being required.

In addition, the board has historically earmarked part of our unrestricted reserves to be used for a closure reserve. This represents funds to cover the salary and personnel costs of closure / wind-down of the non-international programming activities. The board has re-evaluated these funds and confirmed that \$1.3 million is an appropriate target level for these purposes at the date of signing of this report. We have transferred \$77,000 from general funds into the closure reserve as at 31 December 2015 so that its balance now stands at the target level of \$1.3 million.

We are in the process of carrying out a review of reserves which includes a fresh assessment of the various risks connected to international programming operations, based in part on our post-transition experience over the last two years. The review will also consider to what extent the reserves held across the whole of Save the Children provide protection against the risks that are identified, particularly those risks which potentially have an organisation-wide impact.

## Grant making policy

Save the Children International works in partnership with many organisations. This may involve our staff being involved in joint operations, supporting and monitoring work, or funding local partners to deliver services, including immediate humanitarian relief. The grants we make to partners help local organisations provide sustainable benefits for poor 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 vulnerable children. We monitor how all grants are spent.

## Going concern

Based on our financial performance and reserves position, as set out above, together with a cash flow forecast that we have prepared through to the end of 2017, we have a reasonable expectation that we have the resources to continue operating for the foreseeable future. We are not aware of any material uncertainties which call this into doubt. The accounts have therefore been prepared on the basis that the charity is a going concern.

# Structure, governance and management

Save the Children International is a UK company limited by guarantee (not having share capital) and a registered charity in England and Wales, governed by its Articles of Association as last amended on 12 March 2012. It is registered with Companies House and the Charity Commission and must comply with the Companies Act 2006 and Charities Act 2011. Save the Children International's sole member is Save the Children Association, a Swiss Association formed pursuant to articles 60–79 of the Swiss Civil Code. Save the Children International had ten wholly owned subsidiaries at 31 December 2015, details of which are given in note 16 to the accounts.

## Board of trustees

Save the Children International's board of trustees mirrors the board of Save the Children Association. During 2015, the Save the Children International board consisted of:

- nine individuals who are the nominees of each member organisation that contributed at least 8% of the combined total income of all members of Save the Children Association
- three individuals who are elected by member organisations that contributed less than 8% of the combined total income of all members of Save the Children Association
- two independent trustees, one appointed by the nominated trustees and the other elected by the member organisations, which elect the three individual trustees to the board

Further details of the board members are given on page 17. Following the appointment of several new board members in late 2015 and early 2016, all board members were invited to attend a training session on trustee responsibilities (with external charity lawyers) and on child safeguarding. The session took place in March 2016.

The Save the Children International board manages the business of the charity and exercises all the powers of the charity. The board seeks to ensure that all activities are within UK law and agreed charitable objects. Its work includes oversight of, and agreeing the financial plan for, international programmes.

## Auditor

KPMG LLP will be deemed appointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

The Audit and Finance Committee oversees the charity's monitoring of external auditor objectivity and independence in relation to non-audit services. The auditor is excluded from undertaking a range of work on behalf of the charity to ensure that the nature of non-audit services performed or fee income relative to the audit fees does not compromise, or is not seen to compromise, the auditor's independence, objectivity or integrity.

## Trustees' responsibilities

The trustees are responsible for preparing the trustees' report (incorporating the strategic report and the directors' report) and the financial statements, in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the group and the charitable company will continue their activities

The trustees are responsible for keeping adequate 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 and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees, in their capacity both as trustees and company directors, have reviewed and approved the trustees' report, which incorporates the directors' report and the requirements of the strategic report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## Committees

At least two members of each committee must be members of the Save the Children International board of trustees. Currently, all committee members are trustees of Save the Children International.

The Audit and Finance Committee is appointed by the board of trustees and has five members, including a chair (who must not be the same person as the chair of the board). The committee meets at least four times a year to consider reports from the management team and external auditors. The committee advises the board on financial management, reporting and control. It also oversees the global assurance function.

The Governance Committee is appointed by the board of trustees and has five members, including a chair, who meet at least twice a year. The committee advises the board on Save the Children International's governance framework, its constitution and governance systems and processes, as well as board processes and effectiveness.

The Compensation and Organisation Committee is appointed by the board of trustees and has three members, including a chair, who meet at least twice a year. The committee advises the board on the compensation of the chief executive officer and senior management of Save the Children International, by reference to those in comparable employment within the INGO and other relevant sectors. It also advises on organisational design and processes.

## Organisational structure

The trustees delegate the day-to-day running of the charity to the chief executive officer and the senior leadership team, who are responsible for particular areas of the charity as listed on page 17. The chief executive officer reports to the chair of the board.

## Public benefit

The trustees ensure that the activities of the charity are consistent with its charitable objects and aims. In agreeing our annual plans, the trustees take into account public benefit as set out in the Charity Commission's general guidance on public benefit in relation to the prevention and relief of poverty, the advancement of education and health and the relief of those in need. The trustees believe there is clear public benefit derived from the activities of the charity.

## Venture partners and volunteer involvement

This year we have continued to benefit from ongoing strategic partnerships with:

- the Boston Consulting Group, which has donated \$4 million of professional services, including secondments of key staff and strategic support around cost baselining, initiative costing, governance and reporting
- Freshfields Bruckhaus Deringer for donated legal services of \$460,000
- Egon Zehnder Ltd for donated executive search services of \$430,000
- Baker & McKenzie LLP for donated legal services of \$140,000, particularly in the areas of brand protection and employment law

We are also grateful to the volunteers, interns and secondees who worked on a broad range of projects and activities for us during 2015.

We would like to thank our partners, volunteers, interns and secondees for their continuing contributions, which are invaluable in realising our ambitions for children.

## Diversity and equality

Save the Children International is fully committed to diversity and providing equal treatment to all employees, irrespective of gender, race, ethnic origin, disability, age, nationality, national origin, sexuality, religion or belief, marital status or social class. We oppose all forms of unlawful and unfair discrimination. All employees and volunteers, whether part time, full time or temporary, will be treated fairly and equally. Selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. All employees will be helped and encouraged to develop their full potential, and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation.



# Administrative details

## Trustees during 2015 and as at date of approval of the report

Charles Perrin (*Chair until 31 December 2015*)  
Alan Parker (*Chair from 1 January 2016*)  
Adèle Anderson (*resigned 31 December 2015*)  
Inger Ashing  
Vivien Bridgwater (*resigned 31 December 2015*)  
Thomas Heilmann (*appointed 1 January 2016*)  
Peter Hodgson (*appointed 25 September 2015*)  
Muna Idris (*appointed 1 January 2016*)  
Mimi Jakobsen (*resigned 31 December 2015*)  
Irene Khan (*resigned 31 December 2015*)  
Elizabeth Lule (*appointed 29 February 2016*)  
Charles MacCormack  
Nils Øveraas (*resigned 25 September 2015*)  
Bradley C Palmer (*resigned 31 December 2015*)  
Jonathan Powell  
Marie-Andrée Romisch Diouf (*resigned 31 December 2015*)  
Harpal Singh  
Pernille Spiers-Lopez  
Dona Young (*appointed 1 January 2016*)

## Board committees

### Audit and Finance Committee

Adèle Anderson (*Chair until 31 December 2015*)  
Charles Perrin (*Chair from 15 April 2016*)  
Thomas Heilmann (*from 15 April 2016*)  
Peter Hodgson (*from 15 April 2016*)  
Mimi Jakobsen (*until 31 December 2015*)  
Charles MacCormack  
Harpal Singh (*until 15 April 2016*)  
Dona Young (*from 15 April 2016*)

### Governance Committee

Inger Ashing (*Chair*)  
Peter Hodgson (*from 15 April 2016*)  
Irene Khan (*until 31 December 2015*)  
Charles MacCormack (*from 15 April 2016*)  
Bradley C Palmer (*until 31 December 2015*)  
Alan Parker (*until 31 December 2015*)  
Jonathan Powell  
Harpal Singh (*from 15 April 2016*)

### Compensation and Organisation Committee

Pernille Spiers-Lopez (*Chair*)  
Vivien Bridgwater (*until 31 December 2015*)  
Muna Idris (*from 15 April 2016*)  
Elizabeth Lule (*from 15 April 2016*)  
Nils Øveraas (*until 4 September 2015*)  
Marie-Andrée Romisch Diouf (*until 31 December 2015*)

## Senior leadership team

**Chief Executive Officer**  
Jasmine Whitbread (*until 21 December 2015*)  
**Chief Executive Officer**  
Helle Thorning-Schmidt (*from 4 April 2016*)  
**Chief People Officer**  
Madalyn Brooks  
**International Programs Director**  
Imran Matin  
**Director of Member Development and Revenue Growth**  
Clare Rodger (*from 1 January 2016*)  
**Deputy Chief Executive Officer**  
Janti Soeripto  
**Global Campaign and Advocacy Director**  
Patrick Watt  
**Chief Financial Officer**  
Jon Watts

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### Registered office

St Vincent House  
30 Orange Street  
London WC2H 7HH

### Company Secretary

Clare Canning

### Registered number

3732267

### Registered charity number

1076822

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### Principal bankers

**Barclays Bank Plc**  
Hammersmith Branch  
PO Box 14576  
London W6 9GQ

**Standard Bank Plc**  
20 Gresham Street  
London EC2V 7JE

**EcoBank**  
EBI SA, Representative Office  
2nd Floor, 20 Old Broad Street  
London EC2N 1DP

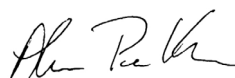
**Standard Chartered Bank**  
1 Basinghall Avenue  
London EC2V 5DD

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### Auditor

**KPMG LLP**  
15 Canada Square  
Canary Wharf  
London, E14 5GL

Signed on behalf of the board of trustees by:



Alan Parker  
Chair, Save the Children International  
3 June 2016

# Independent auditor's report

We have audited the financial statements of Save the Children International for the year ended 31 December 2015 set out on pages 19–45. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, 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.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2015 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 Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.


## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

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

- the charitable company has not kept adequate 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.



Lynton Richmond (Senior Statutory Auditor)  
for and on behalf of

KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London E14 5GL

8 June 2016

# Financial statements

## Consolidated statement of financial activities for the year ended 31 December 2015 (including an income and expenditure account)

	Notes	Unrestricted USD 000s	Restricted USD 000s	2015 Total USD 000s	Unrestricted USD 000s	Restricted USD 000s	2014 Total USD 000s
Income from donations							
Grants and other donations		10,371	1,090,740	1,101,111	9,498	1,001,870	1,011,368
Gifts in kind	2(b)	508	94,837	95,345	975	76,195	77,170
<b>Total income from donations</b>	2(a)	<b>10,879</b>	<b>1,185,577</b>	<b>1,196,456</b>	10,473	1,078,065	1,088,538
Income from investments	2(c)	132	—	132	47	93	140
Other income	2(d)	1,139	2,730	3,869	286	290	576
<b>Total income</b>		<b>12,150</b>	<b>1,188,307</b>	<b>1,200,457</b>	10,806	1,078,448	1,089,254
Expenditure on raising funds							
		7	2,262	2,269	38	238	276
Expenditure on charitable activities							
International programs							
Development		4,092	906,130	910,222	4,016	790,976	794,992
Humanitarian		834	225,524	226,358	969	261,481	262,450
Campaigning and advocacy		4,683	8,327	13,010	4,666	7,214	11,880
Growth and development of Save the Children		1,793	5,889	7,682	1,483	1,767	3,250
<b>Total expenditure on charitable activities</b>	3(a)	<b>11,402</b>	<b>1,145,870</b>	<b>1,157,272</b>	11,134	1,061,438	1,072,572
<b>Total expenditure</b>	3(a)	<b>11,409</b>	<b>1,148,132</b>	<b>1,159,541</b>	11,172	1,061,676	1,072,848
<b>Net (expenditure)/income for the year</b>		<b>741</b>	<b>40,175</b>	<b>40,916</b>	(366)	16,772	16,406
Transfers between funds		484	(484)	—	1,332	(1,332)	—
Total funds brought forward	15	16,308	53,648	69,956	15,342	38,208	53,550
<b>Total funds carried forward</b>	15	<b>17,533</b>	<b>93,339</b>	<b>110,872</b>	16,308	53,648	69,956


All gains and losses recognised in the period are included above. There is no difference between the net (outgoing)/incoming resources before other recognised gains and losses above and the historical cost equivalent. All activities are continuing. The charity uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for the charity as a separate entity. The group structure is explained in note 16 and net (outgoing)/incoming resources for the charity alone for the year ended 31 December 2015 were USD 41,488,000 (2014 USD 885,000). The notes on pages 22–45 form part of these financial statements.

## Consolidated and charity balance sheet as at 31 December 2015

	Notes	2015 Group USD 000s	2015 Charity USD 000s	2014 Group USD 000s	2014 Charity USD 000s
<b>Tangible fixed assets</b>					
Furniture, fittings and equipment	5	2,673	2,667	3,152	3,149
Motor vehicles	5	2,582	2,503	2,761	2,556
Leasehold property	5	65	65	198	198
Freehold property	5	1,055	1,055	1,112	1,112
		<b>6,375</b>	<b>6,290</b>	7,223	7,015
<b>Current assets</b>					
Debtors	6	147,168	140,287	130,481	127,216
Stock	7	47,172	43,320	35,856	32,775
Investments	8	5,000	5,000	—	—
Cash at bank and in hand	9	167,303	160,885	107,403	106,441
		<b>366,643</b>	<b>349,492</b>	273,740	266,432
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	10	(231,979)	(219,240)	(183,552)	(180,330)
		<b>(231,979)</b>	<b>(219,240)</b>	(183,552)	(180,330)
<b>Net current assets</b>					
		<b>134,664</b>	<b>130,252</b>	90,188	86,102
<b>Provisions for liabilities</b>					
	11	(30,167)	(28,444)	(27,455)	(26,506)
<b>Total net assets</b>					
		<b>110,872</b>	<b>108,098</b>	69,956	66,611
<b>The funds of the charity</b>					
<b>Unrestricted funds</b>					
General funds		789	788	—	—
Designated funds		16,744	16,743	16,308	16,307
Total unrestricted funds	15	17,533	17,531	16,308	16,307
<b>Restricted funds</b>					
	15	93,339	90,567	53,648	50,304
<b>Total charity funds</b>					
	15	<b>110,872</b>	<b>108,098</b>	69,956	66,611

The notes on pages 22–45 form part of these financial statements.

Approved by the board of trustees and signed on its behalf by:



Alan Parker  
Chair, Save the Children International  
3 June 2016



Peter Hodgson  
Trustee, Save the Children International  
3 June 2016

Company registration number: 3732267

## Consolidated cash flow statement for the year ended 31 December 2015

	2015 USD 000s	2014 USD 000s
Cash inflow from operating activities		
Net income	40,916	16,406
Tangible fixed assets donated by members on transition	—	(185)
Interest received	(132)	(140)
(Increase)/decrease in debtors	(16,687)	2,622
Increase in stocks	(11,316)	(17,033)
Increase in creditors	48,427	16,198
Increase in provisions	2,712	8,456
Depreciation	2,737	2,218
	<b>66,657</b>	<b>28,542</b>
Cash outflows from investing activities		
Payments to acquire tangible fixed assets	<b>(1,889)</b>	<b>(2,046)</b>
Cash inflows from financing activities		
Interest received	132	140
<b>Net cash inflow for the year ended 31 December</b>	<b>64,900</b>	<b>26,636</b>
Analysis of cash and cash equivalents		
Balance at start of period	107,403	80,767
Net cash inflow for the period	64,900	26,636
<b>Balance at end of period</b>	<b>172,303</b>	<b>107,403</b>
represented by:		
Cash at bank and in hand	167,303	107,403
Short term investments	5,000	—
<b>Total cash and cash equivalents</b>	<b>172,303</b>	<b>107,403</b>

## Notes to the accounts for the year ended 31 December 2015

### I Accounting policies

#### a Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 (including Charities SORP FRS 102: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)), the Companies Act 2011 and applicable accounting standards. All income and expenditure relates to continuing operations. The financial statements comply with the requirements of the charity's Memorandum and Articles of Association. The financial statements have been prepared on a going concern basis. The presentation currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest \$1,000. In the transition to FRS 102 from old UK GAAP, the Charity and Group have made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Charity and Group is provided in note 21.

#### b Basis of consolidation

The group accounts incorporate those of the wholly owned subsidiaries of the charity as detailed in note 16 to the financial statements. The results of each subsidiary are consolidated on a line by line basis.

#### c Company status

The charity is a company limited by guarantee, not having share capital. Save the Children International's sole member is Save the Children Association, a Swiss Association formed pursuant to articles 60–79 of the Swiss Civil Code. The trustees of Save the Children International are named on page 17. The Charity is a Public Benefit Entity as defined in FRS 102.

#### d Income recognition

Income is recognised in the period in which Save the Children International is legally entitled to the income, receipt of funds is probable and the amount can be measured with sufficient reliability.

International programming grant income from Save the Children members is recognised when the charity can demonstrate entitlement to the income. In most cases this is based on programme activity performed. Typically international programming grant agreements specify the goods and services to be provided to beneficiaries. For the purposes of income recognition, the amount of resources expended on individual grants is used to measure programme activity performed. International programming grant income is credited to restricted income within the SOFA. In cases where, by agreement with the Save the Children member, funds are received in advance of programme activity, income is recognised upon receipt of the funds and credited to restricted income in the SOFA, with any unspent balances carried forward to the following year within the relevant fund.

Grant income to fund international programming operational activity not directly attributable to projects, investment activity and the financial management system is recognised when entitlement falls due following the agreed schedule in accordance with a Member Contribution Agreement. Income is credited to restricted income within the SOFA, with unspent balances being carried forward to the following year within the relevant fund.

Grant income from Save the Children Association and from members to establish Save the Children International reserves is recognised when entitlement falls due. Income is credited to unrestricted income within the SOFA with unspent balances carried forward to the following year.

All other sources of income are recognised as entitlement falls due in accordance with contractual agreements.

#### e Gifts in kind

Gifts in kind donated for distribution by country programmes (such as food, clothing and medical supplies) are included at valuation. Income is recognised when gifts in kind are received. Expenditure is recognised when gifts in kind are distributed to the projects and any undistributed amounts are recognised on the balance sheet as stock. Gifts in kind are valued by Save the Children International staff with regard to market prices when distributed in cases where the donor has not provided a valuation.

Gifts in kind for pro bono services are valued either at market value or, where this is not available, an appropriate estimate of the value to the charity is made.

Tangible fixed assets donated by members for ongoing use within country offices have been recognised at an estimated market value upon receipt. Such assets have been capitalised or expensed in line with the charity's fixed asset policy.

Services donated by members are valued at cost.

In preparing these accounts no value has been attributed to the work performed by volunteers in accordance with the SORP.

#### f Stock

Undistributed balances of goods donated for distribution and goods acquired for distribution are recognised as stock. Stocks are valued at cost, estimated market value when received or donor valuations.

#### g Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is charged inclusive of any irrecoverable taxation.

A sizable proportion of the programme work of Save the Children International is undertaken by making grants to operational partners who perform the work on the ground and report back to Save the Children International on the work they have done.

Save the Children International recognises the expenditure on these grants when payment is due to the partner organisation in accordance with the terms of the agreement. The related income on grants which will be used to cover these payments is recognised at the same time in accordance with the charity's standard income recognition policy. Standard partner agreements are typically for a year's duration but can span several years. The agreements contain certain conditions, the fulfilment of which is under the control of the charity. Save the Children International assesses partner performance prior to agreements being signed and rigorously monitors their performance for the duration of the agreement.

Support costs which include the central and regional office functions such as general management, payroll administration, budgeting and accounting, human resources, information technology, legal compliance and trustees costs are allocated across the categories of charitable activities and governance costs. The basis for the cost allocation is explained in note 3b to the accounts.

#### **h** *Taxation*

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the charity is exempt from taxation in respect of income and capital grants received within categories covered by Chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity and its subsidiary, The Save the Children Alliance Trading Limited, have a group registration for VAT. Country offices are subject to local tax legislation.

#### **i** *Foreign currencies*

The functional currency of Save the Children International is US Dollars. The exchange rate to Sterling at 31st December 2015 was 1.4827 (31st December 2014: 1.5572).

Where Save the Children International has entered into forward contracts for the purchase of foreign currencies, expenditure in those currencies covered by the forward contract are translated into US Dollars at the forward contracted rate. Transactions denominated in other currencies are translated at the rate of exchange at the time of the transaction.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign currency gains and losses are included in the SOFA against the expenditure for the period in which they are incurred.

#### **j** *Debtors*

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **k** *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Motor vehicles	5 years
Computer software	5 years
Computer hardware	3 years
Furniture, equipment and fixtures	5 years
Freehold property	25–50 years
Leasehold property	Shorter of 10 years and lease term

The charity does not capitalise assets purchased as part of international programme grant expenditure, nor individual expenditure items below USD 5,000.

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.

#### **l** *Leased assets and obligations*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the income and expenditure account using the straight line method.

Where assets are financed by operating lease agreements, the lease rentals are charged to the income and expenditure account over the life of the lease on a straight line basis.

#### **m** *Pensions*

The pension costs charged in the financial statements represent the contributions payable by the company to the defined contribution schemes during the year.

#### **n** *Provisions*

Provisions for future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated, and for which there is an expectation that payment will be made. Provisions for dilapidations are made where the liabilities can be measured with some certainty.

#### **o** *Fund accounting*

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 which have not been designated for other purposes.

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 explained in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with the specific restrictions imposed by donors. The costs of administering such funds are charged against the specific fund in line with the donor agreements. The aim and use of each restricted fund is set out in note 15.

Investment income and gains are allocated to the appropriate fund.

#### **p** *Investments*

Current asset investments include fixed term cash deposits maturing in less than one year.

Investments in subsidiaries are stated at cost.

## 2 Income

### a Income from donations

	2015 Grants and donations USD 000s	2015 Gifts in kind donated services USD 000s	2015 Gifts in kind donated goods USD 000s	2015 Assets donated by members on transition USD 000s	2015 Total USD 000s	2014 Total USD 000s
<b>Amounts received directly from Save the Children member organisations</b>						
Australia	20,779	10	—	—	20,789	28,151
Canada	32,317	309	118	—	32,744	34,355
Denmark	55,919	46	490	—	56,455	52,734
Finland	10,645	—	—	—	10,645	6,631
Germany	11,006	8	10	—	11,024	3,808
Hong Kong	9,901	—	142	—	10,043	—
Italy	33,154	41	159	—	33,354	29,286
Japan	6,193	—	11	—	6,204	8,077
Korea	17,956	—	410	—	18,366	13,601
Netherlands	23,958	—	2,127	—	26,085	17,636
New Zealand	1,940	4	—	—	1,944	2,374
Norway	63,902	34	854	—	64,790	60,277
Spain	5,846	2	5	—	5,853	8,038
Sweden	76,748	62	434	—	77,244	85,192
Switzerland	10,640	—	242	—	10,882	3,426
United Kingdom	342,171	1,027	14,495	—	357,693	336,210
United States	364,889	1,497	64,242	608	431,236	380,417
<b>Total amounts received directly from members</b>	<b>1,087,964</b>	<b>3,040</b>	<b>83,739</b>	<b>608</b>	<b>1,175,351</b>	<b>1,070,213</b>
<b>Other amounts</b>						
Save the Children Association	10,587	—	—	—	10,587	9,996
Professional services directly provided to Save the Children International	—	6,276	—	—	6,276	7,135
Direct fundraising in Save the Children International country programmes	2,435	—	179	—	2,614	951
Other gifts in kind	—	—	1,503	—	1,503	41
Other grants and donations	125	—	—	—	125	202
<b>Total other amounts</b>	<b>13,147</b>	<b>6,276</b>	<b>1,682</b>	<b>—</b>	<b>21,105</b>	<b>18,325</b>
<b>Total income from donations</b>	<b>1,101,111</b>	<b>9,316</b>	<b>85,421</b>	<b>608</b>	<b>1,196,456</b>	<b>1,088,538</b>

Grants and other donations includes USD 188,026,315 (2014: USD 148,375,501) originating from the United States Agency for International Development (USAID).



<b>b Gifts in kind</b>	2015 USD 000s	2014 USD 000s
<b>Donated services</b>		
Professional services	6,276	7,135
Services donated by members	3,040	3,007
<b>Total donated services</b>	<b>9,316</b>	<b>10,142</b>
<b>Donated goods</b>		
Food aid	65,353	57,799
Pharmaceutical supplies	16,570	990
Other supplies	3,498	7,867
<b>Total donated goods</b>	<b>85,421</b>	<b>66,656</b>
<b>Donated assets on transition</b>		
Tangible fixed assets donated by members on transition	—	185
Non-capital assets donated by members on transition	608	187
<b>Total donated assets on transitions</b>	<b>608</b>	<b>372</b>
<b>Total gifts in kind</b>	<b>95,345</b>	<b>77,170</b>

Other supplies of donated goods include mainly relief items such as water and sanitation kits, tents, blankets, plastic sheeting and buckets. Save the Children International received benefits in the form of volunteers during 2015. The income from gifts in kind does not include a valuation for these benefits.

<b>c Income from investments</b>	2015 USD 000s	2014 USD 000s
Interest on bank deposits	130	134
Other interest	2	6
<b>Total income from investments</b>	<b>132</b>	<b>140</b>
<b>d Other income</b>		
	2015 USD 000s	2014 USD 000s
Sales of goods and assets	2,106	365
Rental income	18	44
Interest receivable from members	190	35
Other income	1,555	132
<b>Total other income</b>	<b>3,869</b>	<b>576</b>

### 3 Expenditure

#### a Analysis of total expenditure

	Staff costs USD 000s	Grants and payments to partners USD 000s	Gifts in kind USD 000s	Other direct costs USD 000s	Apportionment of support costs USD 000s	2015 Total USD 000s	2014 Total USD 000s
Expenditure on raising funds	875	1	51	1,342	—	2,269	276
Charitable activities							
Education	69,840	56,522	5,741	112,144	6,154	250,401	235,643
Livelihoods	25,343	19,588	1,193	57,347	2,703	106,174	183,520
Health	68,493	42,928	9,081	123,358	6,131	249,991	111,662
Child protection	31,651	27,197	732	40,640	2,448	102,668	30,074
Nutrition	31,730	29,830	19,539	42,027	3,151	126,277	95,240
HIV/AIDS	7,173	33,320	1,651	6,038	1,306	49,488	50,413
Child rights governance	6,985	9,634	120	7,849	635	25,223	88,440
Total development programmes	241,215	219,019	38,057	389,403	22,528	910,222	794,992
Humanitarian	43,983	23,706	44,802	108,191	5,676	226,358	262,450
Campaigning and advocacy	8,690	(184)	1	3,229	1,274	13,010	11,880
Growth and development of Save the Children	1,369	3,904	205	1,383	821	7,682	3,250
Support costs (b)	15,906	—	4,260	10,133	(30,299)	—	—
Total expenditure on charitable activities	311,163	246,445	87,325	512,339	—	1,157,272	1,072,572
<b>Total expenditure</b>	<b>312,038</b>	<b>246,446</b>	<b>87,376</b>	<b>513,681</b>	<b>—</b>	<b>1,159,541</b>	<b>1,072,848</b>
2014 total expenditure	270,299	222,970	70,224	509,355	—	1,072,848	

Expenditure on fundraising was incurred by the three subsidiary entities created in 2014 in Colombia, Philippines and Indonesia.

A list of grants made to partner organisations with whom Save the Children International has worked during 2015 is available at [www.savethechildren.net](http://www.savethechildren.net)

#### b Support costs and the basis of their allocation

Support category:	basis of allocation:	2015 USD 000s	2014 USD 000s
Leadership	estimated time	4,428	4,468
Governance	pro-rata by thematic programme expenditure	2,749	3,706
Financial management	pro-rata by thematic programme expenditure	8,806	7,877
Information systems	pro-rata by thematic programme expenditure	5,733	5,411
Human resources	headcount	4,853	4,390
Facilities and administration	headcount	3,630	3,443
Total management and administration expenditure		30,199	29,295
Members' donated services	according to support category	646	378
Pro-bono professional services	according to support category	1,220	2,792
(Gains)/losses on foreign exchange	pro-rata by thematic programme expenditure	(1,766)	(1,337)
<b>Total support costs</b>		<b>30,299</b>	<b>31,128</b>

c Geographical analysis of expenditure

	2015 USD 000s	2014 USD 000s
Afghanistan	27,256	32,321
Bangladesh	47,417	58,908
Central Asia	6,305	5,464
Nepal and Bhutan	66,119	35,881
Sri Lanka	3,566	3,363
Regional office	2,744	2,439
<b>South and Central Asia</b>	<b>153,407</b>	<b>138,376</b>
Cambodia	9,001	7,556
China	10,656	10,327
Democratic People's Republic of Korea	6,104	3,518
Indonesia	8,958	7,660
Laos	4,633	5,422
Myanmar	81,515	65,048
Philippines	35,374	56,901
Thailand	6,377	5,476
Vietnam	5,945	6,807
Regional office	2,438	2,098
<b>South East and East Asia</b>	<b>171,001</b>	<b>170,813</b>
Albania	2,821	3,065
Armenia	1,356	1,428
Egypt	9,007	9,948
Northwest Balkans	2,255	3,430
Georgia and Azerbaijan	361	444
Occupied Palestinian Territory	13,407	13,108
Iraq	27,502	17,216
Jordan	23,713	75,495
Kosovo	2,112	2,202
Lebanon	51,685	44,860
Syria	34,183	42,847
Ukraine	7,307	372
Yemen	25,311	26,780
European Refugee Response sub-regional office (Greece)	2,092	—
Regional office	4,379	4,026
<b>Middle East and Eurasia</b>	<b>207,491</b>	<b>245,221</b>
Bolivia	4,901	5,096
Colombia	4,027	3,507
El Salvador	4,961	5,195
Guatemala (*)	13,174	—
Haiti	5,693	4,809
Nicaragua	3,886	5,568
Peru and Ecuador	5,540	6,636
Regional office	1,867	1,824
<b>Latin America and Caribbean</b>	<b>44,049</b>	<b>32,635</b>

c Geographical analysis of expenditure (continued)

	2015 USD 000s	2014 USD 000s
Burkina Faso	13,810	6,259
Central African Republic	12,170	12,071
Côte d'Ivoire	7,788	8,334
Democratic Republic of the Congo	25,156	21,416
Liberia	22,576	11,059
Mali and Guinea	25,759	18,899
Niger	33,525	21,491
Nigeria	27,699	21,805
Senegal	5,846	3,711
Sierra Leone	28,664	13,841
Regional office	4,433	4,620
<b>West and Central Africa</b>	<b>207,426</b>	<b>143,506</b>
Ethiopia	113,770	100,750
Kenya	16,495	20,222
Rwanda	5,831	3,112
Somalia	46,325	37,038
South Sudan	38,335	35,782
Uganda	15,991	15,681
<b>East Africa</b>	<b>236,747</b>	<b>212,585</b>
Malawi	40,779	25,711
Mozambique	22,056	22,833
Tanzania	5,918	5,626
Zambia	7,047	9,004
Zimbabwe	7,096	12,619
<b>Southern Africa</b>	<b>82,896</b>	<b>75,793</b>
ESA Regional Office	10,592	12,113
<b>East &amp; Southern Africa regional office</b>	<b>10,592</b>	<b>12,113</b>
Addis Ababa	666	176
Brussels	818	1,078
Geneva	1,170	1,181
New York	673	541
<b>Save the Children advocacy offices</b>	<b>3,327</b>	<b>2,976</b>
Save the Children International centre	42,605	38,830
<b>Total expenditure</b>	<b>1,159,541</b>	<b>1,072,848</b>

\*Guatemala transitioned to Save the Children International on 1 February 2015

<b>d</b> <i>Net income for the year is stated after charging:</i>	<b>2015</b>	2014
	<b>USD 000s</b>	USD 000s
Auditor's remuneration:		
Audit of these financial statements (including irrecoverable VAT)	<b>647</b>	562
Amounts receivable by the charity's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the charity	<b>23</b>	14
Other assurance services	<b>401</b>	917
Lease rental payments	<b>34,360</b>	32,366
Depreciation	<b>2,737</b>	2,218

**e** *Trustees' remuneration*

None of the trustees received any remuneration from the charity during 2015 (2014: nil).

None of the trustees received any other benefits in kind during 2015 (2014: nil).

Out-of-pocket expenses, including travel and subsistence were reimbursed to trustees as follows:  
2 trustees totalling USD 2,126 (2014: 7 trustees totalling USD 18,940)

Save the Children International purchased trustee indemnity insurance to the value of GBP 10 million (USD 16 million) which covers the trustees or other officers of the charity. These insurances provide cover:

- to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents
- to indemnify the trustees or other officers against legal liability for inadvertent errors or omissions on their part.

#### 4 Staff costs

**a** *Staff costs*

	<b>2015</b>	2014
	<b>Total</b>	Total
	<b>USD 000s</b>	USD 000s
Wages and salaries	<b>251,372</b>	217,540
Social security costs and payroll taxes	<b>7,694</b>	7,151
Pension contributions	<b>1,165</b>	1,036
Terminal grants and long-term savings plans	<b>16,916</b>	14,919
Benefits in kind	<b>19,881</b>	17,454
Other staff costs	<b>15,010</b>	12,199
<b>Total direct staff costs</b>	<b>312,038</b>	270,299
Donated staff costs from members	<b>3,040</b>	3,007
<b>Total staff costs</b>	<b>315,078</b>	273,306

Save the Children International contributes to a defined contribution scheme for staff at the centre, a group personal pension (GPP) operated on a salary sacrifice basis. Employers' contributions of USD 1,053,586 (2014: USD 827,965) are charged to the consolidated statement of financial activities. Employer pension contributions made for employees whose emoluments are in excess of USD 90,000 were USD 417,438 (2014: USD 366,345). There were no outstanding or prepaid contributions at year end.

Save the Children International contributes to a long term savings plan for programme staff on international contracts. Employers' contributions charged to the consolidated statement of financial activities were USD 3,217,996 (2014: USD 2,824,403).

Donated staff costs from members represents secondees from members provided for no consideration. The value of these secondees is included within gifts in kind in note 2(b).

<b>b</b> Costs incurred in addition to staff costs reported in note 4a	2015 USD 000s	2014 USD 000s
Temporary and casual labour	16,280	14,224
Secondment costs from Boston Consulting Group	221	391
	<b>16,501</b>	<b>14,615</b>

**c** Average number of Save the Children International employees calculated on a full-time equivalent basis

	Country offices	Regional offices	Advocacy offices	Centre	2015 Total	2014 Total
Charitable activities	15,559	197	42	263	16,061	14,148
Fundraising	21	—	—	—	21	8
	<b>15,580</b>	<b>197</b>	<b>42</b>	<b>263</b>	<b>16,082</b>	<b>14,156</b>

**d** The table below shows the number of staff (including secondees from members) with emoluments falling in the following ranges. Emoluments include salary, taxable benefits in kind and other payments to employees but not employer pension contributions.

The highest paid employee received emoluments amounting to USD 399,283 in 2015 (USD 368,260 in 2014).

The members of the Senior Leadership Team received emoluments amounting to USD 1,704,284 in 2015 (USD 1,478,785 in 2014).

For key members of staff working in our international programmes, emoluments may include accommodation and other benefits, which allow us to be appropriately competitive in recruiting and retaining staff. Employees based in Save the Children International's centre office receive salary amounts in GBP and therefore foreign exchange movements between GBP and USD will impact comparisons between financial years.

Band (USD)	2015	2014
0 – 15,000	18,156	15,398
15,001 – 30,000	3,158	2,904
30,001 – 45,000	852	731
45,001 – 60,000	379	327
60,001 – 75,000	227	204
75,001 – 90,000	129	105
90,001 – 105,000	72	59
105,001 – 120,000	60	47
120,001 – 135,000	28	27
135,001 – 150,000	31	29
150,001 – 165,000	18	8
165,001 – 180,000	12	10
180,001 – 195,000	5	5
195,001 – 210,000	3	9
210,001 – 225,000	3	2
225,001 – 240,000	3	3
240,001 – 255,000	1	1
255,001 – 270,000	4	—
270,001 – 285,000	—	3
285,001 – 300,000	2	—
300,001 – 315,000	3	—
315,001 – 330,000	—	1
360,001 – 375,000	—	1
390,001 – 405,000	1	—

## 5 Tangible fixed assets

<i>Group</i>	Furniture, fittings and equipment USD 000s	Motor vehicles USD 000s	Leasehold property USD 000s	Freehold property USD 000s	<b>Total USD 000s</b>
<b>Cost</b>					
Brought forward at 1 January 2015	6,208	5,747	561	1,238	13,754
Additions	992	897	—	—	1,889
Disposals	—	(87)	—	—	(87)
Carried forward at 31 December 2015	7,200	6,557	561	1,238	15,556
<b>Depreciation</b>					
Brought forward at 1 January 2015	3,056	2,986	363	126	6,531
Charge for the year	1,471	1,076	133	57	2,737
Disposals	—	(87)	—	—	(87)
Carried forward at 31 December 2015	4,527	3,975	496	183	9,181
<b>Net book value</b>					
<b>31 December 2015</b>	<b>2,673</b>	<b>2,582</b>	<b>65</b>	<b>1,055</b>	<b>6,375</b>
1 January 2015	3,152	2,761	198	1,112	7,223
<b>Charity</b>					
	Furniture, fittings and equipment USD 000s	Motor vehicles USD 000s	Leasehold property USD 000s	Freehold property USD 000s	<b>Total USD 000s</b>
<b>Cost</b>					
Brought forward at 1 January 2015	6,097	5,366	561	1,238	13,262
Additions	1,001	930	—	—	1,931
Disposals	—	(116)	—	—	(116)
Carried forward at 31 December 2015	7,098	6,180	561	1,238	15,077
<b>Depreciation</b>					
Brought forward at 1 January 2015	2,948	2,810	363	126	6,247
Charge for the year	1,483	954	133	57	2,627
Disposals	—	(87)	—	—	(87)
Carried forward at 31 December 2015	4,431	3,677	496	183	8,787
<b>Net book value</b>					
<b>31 December 2015</b>	<b>2,667</b>	<b>2,503</b>	<b>65</b>	<b>1,055</b>	<b>6,290</b>
1 January 2015	3,149	2,556	198	1,112	7,015

All fixed assets are held for direct charitable purposes.

Leasehold property amounts all relate to long-term leases.

## 6 Debtors

	2015 USD 000s Group	2015 USD 000s Charity	2014 USD 000s Group	2014 USD 000s Charity
Amounts due from Save the Children Association	—	—	249	249
Amounts due from Save the Children members	128,783	119,988	114,884	112,289
Amounts due from subsidiary undertakings	—	3,643	—	—
Other debtors	8,556	8,028	6,244	6,071
Prepayments and accrued income	9,829	8,628	9,104	8,607
	<b>147,168</b>	<b>140,287</b>	<b>130,481</b>	<b>127,216</b>

## 7 Stock

	2015 USD 000s Group	2015 USD 000s Charity	2014 USD 000s Group	2014 USD 000s Charity
<i>Undistributed gifts in kind</i>				
Food aid	11,648	11,618	10,058	10,031
Pharmaceutical and medical goods	9,448	9,358	2,908	2,745
Other goods	1,162	1,012	1,684	1,462
	<b>22,258</b>	<b>21,988</b>	<b>14,650</b>	<b>14,238</b>
<i>Other stock</i>				
Food aid	475	479	1,220	1,295
Pharmaceutical and medical goods	6,816	6,669	4,464	3,930
Other goods	17,623	14,184	15,522	13,312
	<b>24,914</b>	<b>21,332</b>	<b>21,206</b>	<b>18,537</b>
	<b>47,172</b>	<b>43,320</b>	<b>35,856</b>	<b>32,775</b>

## 8 Investments

	2015 USD 000s Group	2015 USD 000s Charity	2014 USD 000s Group	2014 USD 000s Charity
Short term investments	5,000	5,000	—	—
	<b>5,000</b>	<b>5,000</b>	<b>—</b>	<b>—</b>

## 9 Cash at bank and in hand

	2015 USD 000s Group	2015 USD 000s Charity	2014 USD 000s Group	2014 USD 000s Charity
Cash held at centre	102,974	102,974	59,382	59,382
Cash held in overseas offices	64,329	57,911	48,021	47,059
	<b>167,303</b>	<b>160,885</b>	<b>107,403</b>	<b>106,441</b>



## I0 Creditors due within one year

	2015 USD 000s Group	2015 USD 000s Charity	2014 USD 000s Group	2014 USD 000s Charity
Amounts due to Save the Children Association	199	199	—	—
Amounts payable to Save the Children members	187,251	178,381	139,446	137,055
Amounts due to subsidiary undertakings	—	—	—	608
Trade creditors	6,151	6,028	7,189	6,784
Other short term liabilities	10,035	9,409	9,172	9,012
Accruals and deferred income	28,343	25,223	27,745	26,871
	<b>231,979</b>	<b>219,240</b>	183,552	180,330

Amounts payable to Save the Children members include amounts advanced to Save the Children International to fund working capital.

## II Provisions

	Balance as at 1 January 2015 USD 000s	Provisions transferred from members USD 000s	Arising in the year USD 000s	Utilised in the year USD 000s	Provisions released USD 000s	Balance as at 31 December 2015 USD 000s
<i>Group</i>						
Terminal grant provisions	26,016	817	10,836	(8,313)	—	29,356
Property dilapidations	160	—	62	—	—	222
Operating lease provision	217	—	—	(179)	—	38
Provision for tax liability	1,062	—	551	(1,062)	—	551
	27,455	817	11,449	(9,554)	—	30,167
<i>Charity</i>						
Terminal grant provisions	25,068	817	9,876	(8,126)	—	27,635
Property dilapidations	160	—	60	—	—	220
Operating lease provision	217	—	—	(179)	—	38
Provision for tax liability	1,061	—	551	(1,061)	—	551
	26,506	817	10,487	(9,366)	—	28,444

Terminal grant provisions are contractual amounts due to employees in country and regional offices when leaving employment with Save the Children International.

Provisions transferred from members represent accrued terminal grant entitlements to staff in country programmes as at the date of transition to Save the Children International in certain situations where staff transferred with continuous service.

Property dilapidations represent the estimated costs of payments required to make good the condition of properties on the termination of leases.

The operating lease provision represents the value of lease inducements (rent free period) received by Save the Children International. It will be utilised over the term of the lease.

The tax provision represents estimates of the amounts of liabilities for employee taxes in country and regional offices.

## 12 Analysis of net assets between funds

	2015 Unrestricted USD 000s	2015 Restricted USD 000s	2015 Total USD 000s
<i>Group</i>			
Fixed assets	6,366	9	<b>6,375</b>
Current assets	273,313	93,330	<b>366,643</b>
Current liabilities	(231,979)	—	<b>(231,979)</b>
Provisions	(30,167)	—	<b>(30,167)</b>
	<b>17,533</b>	<b>93,339</b>	<b>110,872</b>
<i>Charity</i>			
Fixed assets	6,281	9	<b>6,290</b>
Current assets	258,934	90,558	<b>349,492</b>
Current liabilities	(219,240)	—	<b>(219,240)</b>
Provisions	(28,444)	—	<b>(28,444)</b>
	<b>17,531</b>	<b>90,567</b>	<b>108,098</b>

## 13 Commitments under operating leases

The total future minimum lease payments and current year expenditure on non-cancellable operating leases:	2015 Land and buildings USD 000s	2015 Other leases USD 000s	2014 Land and buildings USD 000s	2014 Other leases USD 000s
lease payments recognised as current year expense	<b>17,403</b>	<b>2,733</b>	14,726	3,184
lease payments due within one year	<b>11,053</b>	<b>851</b>	11,810	1,131
lease payments due between one and five years	<b>7,068</b>	<b>155</b>	8,623	198
lease payments due after five years	<b>1,839</b>	<b>—</b>	1,183	—
	<b>19,960</b>	<b>1,006</b>	21,616	1,329

#### I4 Financial commitments

- a At 31 December 2015, Save the Children International has committed the following amounts in grants to partners subject to satisfactory performance. These amounts will form part of the grants allocated in future years. These amounts are fully funded by Save the Children members.

	Balance as at 1 January 2015 USD 000s	Charged to SOFA in 2015 USD 000s	New commitments USD 000s	Balance as at 31 December 2015 USD 000s
Commitments to partner organisations	205,898	(246,446)	194,611	<b>154,063</b>

	2015 USD 000s	2014 USD 000s
Commitments to partner organisations consist of amounts falling due:		
within one year	<b>124,178</b>	127,578
after one year	<b>29,885</b>	78,320
	<b>154,063</b>	205,898

- b Save the Children International has entered into a number of long-term contracts for the supply of services, all of which are cancellable.

- c At 31 December 2015 Save the Children International had entered into a number of forward contracts for the purchase of foreign currency to reduce currency risk related to member contributions to Save the Children International costs in 2016. The contracts were entered into during November and December 2015 and will all mature during 2016.

Member	Currency	Amount	USD amount
Save the Children Norway	NOK	58,440,000	6,791,463
Save the Children Italy	EUR	3,116,400	3,329,014
Save the Children Denmark	DKK	20,874,000	3,055,561
Save the Children Sweden	SEK	37,935,000	4,457,623
			<b>17,633,661</b>

## 15 Consolidated statement of funds

	Balance as at 1 January 2015 as restated USD 000s	Income USD 000s	Expenditure USD 000s	Transfers USD 000s	Balance as at 31 December 2015 USD 000s
<i>Unrestricted funds</i>					
General funds	—	11,842	(9,805)	(1,248)	789
Fixed asset fund	6,916	1	(1,555)	1,293	6,655
Fixed asset replacement fund	—	307	(49)	(258)	—
International programming reserve	8,169	—	—	620	8,789
Closure reserve	1,223	—	—	77	1,300
Designated funds	16,308	308	(1,604)	1,732	16,744
<b>Total unrestricted funds</b>	<b>16,308</b>	<b>12,150</b>	<b>(11,409)</b>	<b>484</b>	<b>17,533</b>
<i>Restricted funds</i>					
International programme grants	48,330	1,102,377	(1,070,621)	—	80,086
International programme operational fund	2,503	69,408	(64,632)	(766)	6,513
International programme investment fund	19	3,154	—	—	3,173
Donated professional services	—	5,296	(5,296)	—	—
Financial management system fund	581	—	(572)	—	9
Member growth fund	2,215	8,072	(7,011)	282	3,558
<b>Total restricted funds</b>	<b>53,648</b>	<b>1,188,307</b>	<b>(1,148,132)</b>	<b>(484)</b>	<b>93,339</b>
<b>Total funds</b>	<b>69,956</b>	<b>1,200,457</b>	<b>(1,159,541)</b>	<b>—</b>	<b>110,872</b>

General funds represent the amounts that trustees are free to use in accordance with Save the Children International's charitable objectives.

The fixed asset fund represents the net book value of tangible fixed assets that were originally funded out of unrestricted funds. Fixed assets acquired out of general funds, the international programme operational fund, the international programme investment fund and the fixed asset replacement fund are shown as a transfer to the fixed asset fund.

The fixed asset replacement fund represents the proceeds from the sale of fixed assets gifted to Save the Children International on transition, in accordance with the member agreements.

Use of the international programming reserve is governed by a legal agreement between Save the Children International and international programming members and is principally intended to cover any material foreseen or unforeseen programming liabilities. As well as cash contributions from members of USD 8.2million, members have committed an additional USD 6.2million in the form of standby letters of credit which give the charity unconditional and irrevocable access on demand to funds in the event of the use of reserves being required. A further transfer to the reserve of USD 620,000 has been made from general funds during 2015.

The closure reserve represents the funds set aside to provide for the costs in the event of the closure of the non-programming functions of the charity.

International programme grants represent funds received from members for development and humanitarian projects.

The international programme operational fund represents contributions received from members for the running costs of Save the Children International's international programme work, not directly attributable to projects.

The international programme investment fund represents contributions received from members for costs related to one-off investments associated with the set up of Save the Children International's programming work.

Donated professional services represents the value of services provided directly to Save the Children International free of charge.

The financial management system fund represents contributions from Save the Children UK and Save the Children USA to the design and implementation of the financial management systems of Save the Children International. The balance carried forward represents the net book value of the systems. The surplus funds were transferred to the international programme investment fund with agreement of the members.

The member growth fund represents funds received to support the continued growth and development of members.

## 15 Consolidated statement of funds (continued)

<i>Charity statement of funds</i>	Balance as at 1 January 2015 as restated USD 000s	Income USD 000s	Expenditure USD 000s	Transfers USD 000s	Balance as at 31 December 2015 USD 000s
<i>Unrestricted funds</i>					
General funds	—	11,192	(9,156)	(1,248)	788
Fixed asset fund	6,916	(98)	(1,456)	1,293	6,655
Fixed asset replacement fund	—	307	(49)	(258)	—
International programming reserve	8,168	—	—	620	8,788
Closure reserve	1,223	—	—	77	1,300
Designated funds	16,307	209	(1,505)	1,732	16,743
<b>Total unrestricted funds</b>	<b>16,307</b>	<b>11,401</b>	<b>(10,661)</b>	<b>484</b>	<b>17,531</b>
<i>Restricted funds</i>					
International programme grants	44,971	1,027,289	(1,004,822)	—	67,438
International programme operational fund	2,501	63,228	(50,413)	(766)	14,550
Strategic investment fund	19	3,154	—	—	3,173
Donated professional services	—	5,296	(5,296)	—	—
Financial management system fund	581	—	(572)	—	9
Member growth fund	2,232	7,990	(5,107)	282	5,397
<b>Total restricted funds</b>	<b>50,304</b>	<b>1,106,957</b>	<b>(1,066,210)</b>	<b>(484)</b>	<b>90,567</b>
<b>Total funds</b>	<b>66,611</b>	<b>1,118,358</b>	<b>(1,076,871)</b>	<b>—</b>	<b>108,098</b>

## 16 Subsidiary companies

Save the Children International had ten wholly-owned subsidiary entities at 31 December 2015:

- a *The Save the Children Alliance Trading Limited* is incorporated in England and Wales (company number 3744223) as a company limited by shares. It was made a dormant company in 2007; its principal activities were the provision of consultancy services to Save the Children International and commercial use of the Save the Children name and logo. The charity holds the entire issued share capital. The cost of this investment is £1.
- b *Save the Children Asia Regional Office Limited* is a Singapore incorporated public company limited by guarantee with registered Company No: 201024335C and registered as a charity under the Singapore Charities Act. Save the Children International is the sole member of Save the Children Asia Regional Office Limited. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	1,109	403
Liabilities	(300)	(258)
<b>Total net assets</b>	<b>809</b>	<b>145</b>
Income	5,848	4,681
Expenditure	(5,183)	(4,537)
<b>Net incoming resources</b>	<b>665</b>	<b>144</b>

## 16 Subsidiary companies (continued)

c *Shpetoni Femijet (Save the Children)* is incorporated as a foundation under Albanian law. The board members are all employees of Save the Children International and are responsible for appointing other board members of Shpetoni Femijet. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	500	333
Liabilities	(606)	(303)
<b>Total net assets</b>	<b>(106)</b>	<b>30</b>
Income	2,683	3,063
Expenditure	(2,821)	(3,065)
<b>Net incoming resources</b>	<b>(138)</b>	<b>(2)</b>

d *Save the Children International (Kenya)* is incorporated in Kenya under the Non-Governmental Organizations Co-ordination Act. Save the Children International is the sole corporate member of Save the Children International (Kenya). The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	3,003	913
Liabilities	(1,304)	(909)
<b>Total net assets</b>	<b>1,699</b>	<b>4</b>
Income	18,080	20,302
Expenditure	(16,495)	(20,275)
<b>Net incoming resources</b>	<b>1,585</b>	<b>27</b>

e *Save the Children International (Zambia)* is incorporated in Zambia under the Societies Act with registered no. ORS/102/35/3906. The members of Save the Children (Zambia) are Save the Children International and the International Programming Director of Save the Children International. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	606	321
Liabilities	(847)	(265)
<b>Total net assets</b>	<b>(241)</b>	<b>56</b>
Income	6,537	9,082
Expenditure	(7,047)	(9,026)
<b>Net incoming resources</b>	<b>(510)</b>	<b>56</b>

## 16 Subsidiary companies (continued)

**f** *Save the Children International (US Global Advocacy Office), Inc.* was incorporated in Delaware, USA as an exempt non-profit organisation on 7 February 2014. Save the Children International is sole member with right to remove and appoint director/officer(s). The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	83	59
Liabilities	(155)	(59)
Total net assets	(72)	—
Income	601	540
Expenditure	(673)	(540)
Net incoming resources	(72)	—

**g** *Save the Children Philippines (SCP), Inc.* (Company registration number CN201408291) was incorporated in the Philippines as a non-stock non-profit corporation on 28 April 2014. All Incorporators, Trustees and Members are appointed by Save the Children International and are Save the Children International employees. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	5,342	(156)
Liabilities	(3,419)	184
Total net assets	1,923	28
Income	34,751	30
Expenditure	(35,375)	(1)
Net incoming resources	(624)	29

**h** *Fundación Save the Children Colombia* (registration number S0046070) was incorporated in Colombia as a Foundation (a type of private, not-for-profit entity) on 4 March 2014. Save the Children International is Sole Member (a corporate member). The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	520	129
Liabilities	(898)	(125)
Total net assets	(378)	4
Income	3,587	272
Expenditure	(4,029)	(268)
Net incoming resources	(442)	4

## 16 Subsidiary companies (continued)

i *Yayasan Sayangi Tunas Cilik* (Foundations list number AHU-01712.50.10.2014). Incorporated in Indonesia as an Indonesian foundation on 21 May 2014. The majority of Patrons (equivalent of Directors) are appointed by Save the Children International and are Save the Children International employees. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	842	1
Liabilities	(1,202)	(1)
<b>Total net assets</b>	<b>(360)</b>	—
Income	8,425	7
Expenditure	(8,958)	(7)
<b>Net incoming resources</b>	<b>(533)</b>	—

j *Greek NFP partnership* registered in Greece under Greek law (registration number 135942101000). Made up of 2 partners, both employees of Save the Children International. The company's net assets, liabilities, income and expenditure for the year ended 31 December 2015 were as follows:

	2015 USD 000s	2014 USD 000s
Assets	117	—
Liabilities	(619)	—
<b>Total net assets</b>	<b>(502)</b>	—
Income	1,588	—
Expenditure	(2,091)	—
<b>Net incoming resources</b>	<b>(503)</b>	—



## 17 Related party transactions

In accordance with the provisions of Financial Reporting Standard 8, Related Party Disclosures, the related party transactions entered into by Save the Children International are detailed below. All transactions were in the normal course of business.

### a Save the Children Association

Save the Children International has been controlled throughout the period by its ultimate parent undertaking Save the Children Association, a Swiss association formed pursuant to Articles 60–79 of the Swiss Civil Code. No other group financial statements include the results of the charity.

At the end of 2015 Save the Children Association comprised 26 members and 3 associate members (SC Brazil ceased to be an associate member on 4 August 2015). Members and associate members are each separate and independent legal entities incorporated under laws of their home country and are bound together as members through: Save the Children Association Bylaws, a Trademark Licence Agreement between Save the Children Association and each member, and an All Member Agreement, entered into in the first quarter of 2011 to implement an international programming strategy.

The boards of Save the Children Association and Save the Children International have identical membership and both are managed on a day-to-day basis by the same leadership team employed by Save the Children International. During the period, the following types of transactions took place between Save the Children International and Save the Children Association: grants of USD 10,587,000 (2014: USD 9,996,000) were received by Save the Children International from Save the Children Association.

Current account balances with Save the Children Association are interest-free. At the year end, the group balances with Save the Children Association were:	2015 Amounts receivable USD 000s	2015 Amounts payable USD 000s	2015 Net balance USD 000s	2014 Net balance USD 000s
Save the Children Association	—	(199)	(199)	249

## 17 Related party transactions (continued)

### b Save the Children members

During the period the following types of transactions took place between Save the Children International and members (primarily the 17 international programming members):

- i Grant income of USD 1,087,964,000 (2014: USD 1,000,250,000) was received from the members for international programming activities.
- ii Donated services of USD 3,040,000 (2014: USD 3,007,000) were received from members.
- iii Donated goods of USD 83,739,000 (2014: USD 59,625,000) were received from members.
- iv Contributions to the charity's working capital of USD 31,951,504 (2014: USD 34,839,000) were made by, and are repayable to, members.
- v Donations were received by Save the Children International on behalf of Save the Children members. The sums received are remitted to the relevant member.
- vi Additional commitments have been made by the members to Save the Children International as set out in note 19. No profit or loss has arisen on these transactions.

Current account balances with members were interest-free.  
At the year end, the group's balances with members were:

	2015 Amounts receivable USD 000s	2015 Amounts payable USD 000s	2015 Net balance USD 000s	2014 Net balance USD 000s
Save the Children member organisation				
Australia	873	(5,172)	<b>(4,299)</b>	(3,170)
Brazil	—	—	—	2
Canada	7,786	(7,959)	<b>(173)</b>	(663)
Denmark	349	(6,728)	<b>(6,379)</b>	1,475
Finland	1,044	(1,818)	<b>(774)</b>	499
Germany	2,586	(654)	<b>1,932</b>	146
Hong Kong	1,886	(968)	<b>918</b>	—
India	9	—	<b>9</b>	5
Italy	3,858	(4,474)	<b>(616)</b>	(2,143)
Japan	1,010	(190)	<b>820</b>	796
Korea	2,804	(967)	<b>1,837</b>	1,028
Mexico	28	—	<b>28</b>	28
Netherlands	2,221	(5,000)	<b>(2,779)</b>	(2,033)
New Zealand	336	(582)	<b>(246)</b>	(93)
Norway	7,203	(10,965)	<b>(3,762)</b>	(1,793)
Spain	2,894	(1,473)	<b>1,421</b>	1,716
South Africa	—	—	—	64
Sweden	4,426	(11,109)	<b>(6,683)</b>	(4,399)
Switzerland	1,736	(2,372)	<b>(636)</b>	391
United Kingdom	38,859	(69,944)	<b>(31,085)</b>	(4,060)
United States	48,875	(56,876)	<b>(8,001)</b>	(12,358)
	128,783	(187,251)	<b>(58,468)</b>	(24,562)

### c Board of trustees

The charity contracted for travel services from EasyJet PLC during 2015, one of whose directors is Adèle Anderson, who was appointed as a trustee of Save the Children International on 1 January 2013 and resigned on 31 December 2015.

## 18 Post balance sheet events

Save the Children International has obtained registration to operate in the following countries beginning in 2016.

	date of registration
Montenegro	2nd March 2016
Croatia	28th December 2015

## 19 Contingent assets

	2015 International programming reserve commitments (a) USD 000s	2015 International programming closure indemnity (b) USD 000s	2015 Total contingent assets USD 000s	2014 Total contingent assets USD 000s
Save the Children member organisation				
Australia	—	552	552	685
Canada	—	663	663	538
Denmark	—	1,051	1,051	1,073
Finland	—	133	133	118
Germany	—	70	70	—
Italy	—	571	571	524
Japan	—	156	156	159
Korea	—	271	271	214
Netherlands	—	343	343	314
New Zealand	—	47	47	41
Norway	—	1,083	1,083	1,176
Spain	—	160	160	153
Sweden	—	1,676	1,676	1,593
Switzerland	—	54	54	—
United Kingdom	3,112	6,550	9,662	8,834
United States	3,100	6,620	9,720	10,790
	6,212	20,000	26,212	26,212

- (a) Members have made cash contributions of USD 8,169,000 to enable Save the Children International to meet its requirements to hold free reserves in accordance with the reserves policy agreed by the trustees. In addition, members have provided a further USD 6,212,000 during 2015 in the form of standby letters of credit which give the charity unconditional and irrevocable access on demand to funds in the event of the use of reserves being required (see note 15).
- (b) The costs associated with the closure / wind-down of the charity's international programming work are covered by member indemnities up to a maximum of USD 20million.

## 20 Contingent liabilities

Save the Children International is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on Save the Children International's financial position, changes in net assets, or cash flow.

Save the Children International receives funding from members for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by Save the Children International, in management's opinion the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of Save the Children International.

## 21 Transition to Charities SORP (FRS 102)

As stated in note 1 accounting policies these are the Group and Charity's first financial statements prepared under Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 (including Charities SORP FRS 102). The transition from old UK GAAP to FRS 102 has resulted in a restatement of 2014 financial results and the main changes in accounting policies and the resulting adjustments to the 2014 reported results are explained below.

- (a) SORP (FRS 102) requires donated goods for distribution to be valued and recognised as stock at the time of receipt. Previously such items were recognised as income and expenditure when distributed. The stock values as at 31 December 2014 are now included in the comparative figures. The relevant income and expenditure figures for 2014 have also been adjusted accordingly.
- (b) SORP (FRS 102) removed the requirement to disclose governance costs on the Statement of Financial Activities. Such costs are now apportioned on a reasonable basis across the other expenditure categories. The 2014 expenditure figures have been adjusted accordingly.

### Adjustments to comparative figures

Statement of Financial Activities	2014 Previously reported USD 000s	Adjustments		2014 Reported under SORP (FRS 102) USD 000s
		Gifts in kind and purchased stock (a) USD 000s	Governance (b) USD 000s	
Income from donations				
Grants and other donations	1,011,368	—	—	1,011,368
Gifts in kind	70,211	6,959	—	77,170
<b>Total income from donations</b>	<b>1,081,579</b>	<b>6,959</b>	<b>—</b>	<b>1,088,538</b>
Income from investments	140	—	—	140
Other income	576	—	—	576
<b>Total income</b>	<b>1,082,295</b>	<b>6,959</b>	<b>—</b>	<b>1,089,254</b>
Expenditure on raising funds	272	(2)	6	276
Expenditure on charitable activities				
International programs				
Development	796,984	(7,521)	5,529	794,992
Humanitarian	263,141	(2,465)	1,774	262,450
Campaigning and advocacy	11,465	(68)	483	11,880
Growth and development of Save the Children	3,117	(18)	151	3,250
<b>Total expenditure on charitable activities</b>	<b>1,074,707</b>	<b>(10,072)</b>	<b>7,937</b>	<b>1,072,572</b>
Governance	7,943	—	(7,943)	—
<b>Total expenditure</b>	<b>1,082,922</b>	<b>(10,074)</b>	<b>—</b>	<b>1,072,848</b>
<b>Net (expenditure)/income for the year</b>	<b>(627)</b>	<b>17,033</b>	<b>—</b>	<b>16,406</b>
Total funds brought forward	34,727	18,823	—	53,550
<b>Total funds carried forward</b>	<b>34,100</b>	<b>35,856</b>	<b>—</b>	<b>69,956</b>

## 21 Transition to Charities SORP (FRS 102) (continued)

Balance sheet	2014 Previously reported USD 000s	Adjustments		2014 Reported under SORP (FRS 102) USD 000s
		Gifts in kind and purchased stock (a) USD 000s	Governance (b) USD 000s	
Tangible fixed assets				
Furniture, fittings and equipment	3,152	—	—	3,152
Motor vehicles	2,761	—	—	2,761
Leasehold property	198	—	—	198
Freehold property	1,112	—	—	1,112
	7,223	—	—	7,223
Current assets				
Debtors	130,481	—	—	130,481
Stock	—	35,856	—	35,856
Investments	—	—	—	—
Cash at bank and in hand	107,403	—	—	107,403
	237,884	35,856	—	273,740
Current liabilities				
Creditors: amounts falling due within one year	(183,552)	—	—	(183,552)
	(183,552)	—	—	(183,552)
Net current assets	54,332	35,856	—	90,188
Provisions for liabilities	(27,455)	—	—	(27,455)
<b>Total net assets</b>	<b>34,100</b>	<b>35,856</b>	<b>—</b>	<b>69,956</b>
The funds of the charity	2014 Previously reported USD 000s	Adjustments		2014 Reported under SORP (FRS 102) USD 000s
		Gifts in kind and purchased stock (a) USD 000s	Governance (b) USD 000s	
Unrestricted funds				
General funds	—	—	—	—
Designated funds	16,308	—	—	16,308
Total unrestricted funds	16,308	—	—	16,308
Restricted funds	17,792	35,856	—	53,648
<b>Total charity funds</b>	<b>34,100</b>	<b>35,856</b>	<b>—</b>	<b>69,956</b>

## Save the Children International

Save the Children International  
St Vincent House  
30 Orange Street  
London WC2H 7HH  
UK

Tel: +44 (0)20 3272 0300

Fax: +44 (0)20 8237 8000

[info@savethechildren.org](mailto:info@savethechildren.org)

Company registration number 3732267 (England and Wales)

Charity registration number 1076822

