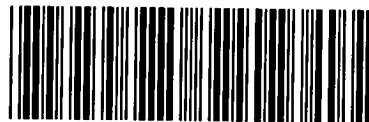


WORLD VISION UK TRUSTEES' REPORT AND ACCOUNTS

FOR YEAR ENDED 30 SEPTEMBER 2018

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OUR VISION

Our vision for every child, life in all its fullness;
Our prayer for every heart, the will to make it so.

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Getting more people to join us – in giving, acting and praying – remains our number one priority.

Message from our Chief Executive

God has called us to stand together with the world's most vulnerable children. To ensure every child has a brighter future. This year we continued to refocus our efforts around pursuing this cause with relentless dedication.

We know there are millions of vulnerable children in the world, but sometimes we can forget that each one is an individual with their own unique story. Take Victor, who I met this year on a visit to Uganda. He's 14. Victor and his three brothers fled their home in South Sudan when fighting broke out. They walked for a month to seek safety in a Ugandan refugee camp.

Thanks to World Vision, the boys are now being fostered by another refugee family. Safe and cared for, Victor is thriving at school, and he and his brothers can start looking forward to the future.

Last year, we brought God's love and the hope of a better future to 2 million children like Victor. More than ever, the children we reached were the most vulnerable of all: 26% lived in fragile contexts* like South Sudan, while another 65% were in countries with very low or low levels of development.

We celebrate each of these lives, and we are thankful for all the progress we have made to advance our cause. But we must acknowledge that it has been a challenging year, and that we have not achieved all of the tasks we set ourselves.

This year saw a drop in income, limiting our work for vulnerable children. Although voluntary donations from the UK public were close to 2017 levels, there was a fall in our grant income, after previous record highs. This was partly because there were no major new humanitarian emergency

appeals this year. While we acquired 15% more child sponsors than in the previous year, we had aimed to inspire even more people to join us in changing the lives of vulnerable children.

Other challenges have also occupied our attention. Reports of sexual misconduct by development workers in Haiti and elsewhere damaged the sector's reputation and had a small and short-term impact on our income. Though we are confident that our own safeguarding policies and behaviour meet the high standards we set ourselves, we nevertheless undertook an extensive review of our safeguarding practices, and have continued to improve reporting and accountability in this area. The change in data protection regulations also took considerable time and effort, and will affect future communications with supporters.

Despite these challenges, our faith and our dedication to our cause remain unswerving. We continue to make changes within our organisation to ensure that we can deliver our strategy. This will enable us to serve more vulnerable children like Victor and his brothers in the future.

Getting more people to join us – in giving, acting and praying – remains our number one priority. A great opportunity to do this will be our newly launched *It takes a world* campaign to end violence against children. At the time of writing, our petition had already gathered over 27,000 signatures.

Thank you to everybody who has supported us this year, whether financially, by taking action or through prayer. Together we can transform the lives of the world's most vulnerable children and communities.

Tim Pilkington
Chief Executive

* Where governments are either unable or unwilling to provide basic protection for their people.

Jesus said

"I have come that they may have life, and have it to the full." John 10:10

Message from our Board Chair

I became Chair of the World Vision UK Board in March this year. Just before taking over the role, I had the privilege to travel to Northern Uganda to some of the settlements for South Sudanese refugees. More than a million refugees have crossed the border in the last three years and what struck me was the generosity of the Ugandan government and people to welcome such a huge number of refugees.

The feeding programme, fresh water and sanitation, medical provision, education and livelihoods work were all humbling and inspiring to witness. What moved me most strongly were the Child Friendly Spaces created by World Vision, where children can come and play, and learn in safety. Most of all you get a sense of them reclaiming their childhood.

One inspiring boy, aged 15, said to us "We are part of the peace club here and we are from different tribes. We are the future leaders of South Sudan and so if we can find peace here we can take it back to South Sudan."

Whilst in Uganda I also had the joy of meeting Maïke, the child that we as a family sponsor through World Vision. The whole community came to meet us and the joy on the children's faces as they sang and danced was very moving. Thanks to World Vision this very poor community had fresh water, sanitation, education, livelihoods and healthy, happy children.

I share these stories because the work of World Vision is to create millions of these stories. Stories of hope beyond despair, stories of change in the lives of the world's most vulnerable children. None of this would be possible without our supporters and donors who enable these stories to become reality.

As Tim has mentioned, one memory from our travels that stands out is that of Victor. Like thousands of other children, Victor fled South Sudan with his younger siblings, and he does not know if his parents are alive or dead. World Vision has arranged for Victor and his brothers and sisters to be fostered. World Vision cares for thousands of foster and child only families in the refugee settlements.

While the economic and political climate has thrown-up challenges over the past year, it is heartening to know that we are still able to transform the lives of children like Maïke and Victor. This work is as vital as it has ever been and I hope this report will inspire you to learn more, support and pray for the children that we serve.

Richard Izard
Board Chair

Our strategic report

A detailed look at our objectives and what we achieved for the financial year ended 30 September 2018, and our objectives for the coming year.

Who we are

World Vision is an international Christian, children's charity. We believe that by working together with children, their communities, our supporters and partners, the lives of the world's most vulnerable children can be transformed.

World Vision UK is part of the **World Vision Partnership**, which works in close to **100** countries. Within the UK, our role is to engage people to join us – through giving, praying, speaking out and influencing government – to change the lives of the most vulnerable children so that no child is without a future.

Our experience since **1950** has shown that by bringing together

people – of all faiths and none – we can improve children's health, education, water, protection and sources of family income to build brighter futures.

We do this through our unique community-involvement model, understanding the particular needs in each context, as well as children's physical and emotional needs, so they can reach their full potential. Our integrated approach means that children's situations can be transformed – whether in an emergency, through long-term development or by local, national or international advocacy.

Our strategy

For nearly **70** years, World Vision has brought hope and the promise of life in all its fullness to millions of children. But the world is changing before our eyes, and the way we worked yesterday may not be the way to work tomorrow. We need to do different things, and to do things differently.

Recent years have brought huge progress in lifting **millions of children out of poverty**, and global commitments like the Sustainable Development Goals offer the real possibility of ending extreme poverty by 2030. But for that to happen, it is more important than ever that we reach out to the most vulnerable children in the world's hardest places.

We believe that this is our calling: to stand with the world's most vulnerable children, and to inspire others to join us. We want a future where no child is left behind; where no child is without a future.

Two years ago we embarked upon a new strategy for achieving the transformation we want to see – for children and communities, as well as for us as an organisation and for our supporters as they stand with those in greatest need. Our strategy is guided by that of the global World Vision

Partnership – **Our Promise 2030** – which calls us to deepen our commitment to the most vulnerable children. It stresses the need to focus our ministry, collaborate and advocate, and deliver the funding needed to achieve greater results. And it calls on us to boldly and humbly live out our Christian faith and calling.

Last year, we identified four immediate priorities to address in order to deliver our strategy.

These were to:

- **Increase the impact and profile of our work with the world's most vulnerable children.**
- **Embrace our faith as a strength in all we do, working alongside churches and those who share our faith, as well as positively engaging with people of other faiths and none.**
- **Return our supporter base to a growth pathway and ensure our grants model is sustainable.**
- **Change our culture and organisation to become more externally focused, innovative, flexible, agile, efficient and digitally enabled.**

Our progress against strategy in 2018

Increasing our impact and profile

- For the first time in eight years, we launched new area programmes – the long-term community programmes funded through child sponsorship which form a core part of our work. From the outset, these programmes have been designed with the most vulnerable children at their heart.
- We refreshed our brand to reflect our calling: that together we can transform the lives of the world's most vulnerable children and communities. Our new strapline succinctly conveys what we want to achieve: **no child without a future**.
- As part of the global World Vision campaign to end violence against children - **It takes a world** – we prepared the launch of a campaign calling on the UK Government to do more to protect the most vulnerable children from violence. Currently just **2.5%** of the UK's humanitarian aid budget is spent on ending violence against children: we want to see that increased to **10%**.

Embracing our faith

- We found new ways to engage with Christian audiences with successful face-to-face fundraising at Christian music festivals and by partnering with folk-rock worship band **Rend Collective** on their UK tour.
- We have built relationships with an increasing number of UK churches, via the publication and launch of the **UK Church in Action** report; and developed new ways for churches, their members and communities to support our work, such as taking part in **Pumpkin Heroes** and our new **Global 6k** event.
- We took a group of influential Christian leaders on a trip to Jordan to see our work with Syrian refugees in action.

Returning to growth

- Trials of our immersive face-to-face fundraising experiences **Journey of Hope** and **Village of Hope** proved successful as a way to engage and inspire a wide audience. We scaled up these experiences during the year to reach more people and will grow them further in the future.
- Working closely with the World Vision Partnership, we continued to explore ways to revitalise our child sponsorship model and launch new fundraising products – focusing especially on the most vulnerable children.
- We began planning for a new **National Leadership Council** of philanthropists who share our vision and values. The hope is that, as well as committing significant financial support to our work, they will also act as ambassadors for World Vision to inspire other donors.

Changing our culture and capabilities

- We have simplified and strengthened key processes, including around grant acquisition and management, procurement, recruitment and integrating new employees into our organisation.
- We increased our digital capabilities and capacity, appointing a chief information officer (CIO) as well as a head of supporter growth with experience in digital fundraising. We now have clearer ideas on how to use digital channels in our fundraising and communications with supporters, and to make better use of the data we hold.
- We have developed plans for a culture change programme to embed the mindsets and behaviours called out by World Vision International.
- To ensure we can deliver our strategy and long-term vision, we reviewed our organisational structure and how we allocate resources. We brought together teams to focus on public engagement and institutional/government work and programmes, and have reduced our overall staffing levels.

What we achieved in **2018...**

We helped **2** million **children** in **38** countries



Our impact, **thanks** to your support

Last year, thanks to your support, we helped to transform the lives of 3.5 million people, including over 2 million children.

Among these, we supported **22** humanitarian responses, reaching over **1.3 million people**, nearly **800,000** of them children.

In total, we supported **225** projects across **38** countries. We met **89%** of our targets across these projects.

We continue to deepen our commitment to the most vulnerable children, wherever they are. The number of children that we reached in fragile states – where the most vulnerable children are most likely to be found – has risen by **10%** since 2016.

No child without education...

Educating vulnerable children is key to protecting them: through completing their education, boys and girls understand their rights and become empowered to speak up for themselves. World Vision's two global education goals are to:

- **Increase the number of children who can read.**

Our Comunidades Solidarias (Communities in Solidarity) programme in Honduras provides a striking example, leading to an increase of **53.4%** in functional literacy across 13 schools between 2013 and 2018. Child-to-child tutoring was particularly effective, helping **96%** of students in 10 of the schools to improve their Spanish.

In Syria, meanwhile, we worked with children who were at risk of missing out on education entirely because of the war, in a project funded by the Department for International Development (DFID). With a local partner we trained **380** teachers and reached over **10,000** children through a 'back to learning' campaign in emergency camps and community centres. Of these, **2,531** children were registered in either pre-primary or catch-up classes, or in self-learning programmes. Tests showed improvements in learning across all sites at all levels, with **32%** average progress in grades in centres and **52%** in camps.

- **Increase adolescents' education and life skills.**

In Sanzukwe, Zimbabwe, our work helped to slash the proportion of children walking more than **7km** to secondary school from **95%** to **25%** over the last five years. Exam results have improved dramatically too. We constructed schools, classrooms, teachers' houses and libraries, and helped improve the status of teachers through training and improved government supervision. We've also set up school development committees, which include parents and caregivers, to maintain this progress and support future projects.

Our education work takes place out of school too. One of our youth projects in Armenia, for example, led to a fall in the proportion of young people with no income – from **69.6%** when the project began to **52.3%**. Young people increased their knowledge and skills through vocational education, taking part in clubs which helped develop entrepreneurship, activism, and taking part in community life and projects.

No child without protection...

Community involvement is crucial to all our work, and never more so than in protecting vulnerable children. Around the world, we have set up community-based child protection units. They take responsibility for spreading awareness of child protection issues and responding to incidents, in partnership with the police, social services and others. A recent review of our child protection work in Armenia and Albania found a reduction in violence against children, and an increase in the proportion of adults and children who said they would report an abuse of the rights of a child. However, overcoming social norms and a mistrust in the system is challenging: despite improvements, the percentage of adults who would not report a case of child abuse remained unacceptably high.

In South Sudan, Uganda and the Democratic Republic of the Congo (DRC), we've been working through the UK Foreign Office's Magna Carta Project to address harmful social norms and stigma against survivors of sexual violence and children born of rape. We worked together with children, community members and faith leaders – who we know can have a big impact in transforming community attitudes. A study which spoke to 147 people found that as a result of the project, awareness and openness had increased, and attitudes had changed towards gender-based violence and the role of women in church and society. Survivors increasingly seek health services, and some experienced less stigma and increased acceptance.

No child without enough food...

Ensuring proper nutrition for pregnant women and children in the first few years of life can make a massive difference to children's future prospects. Training members of the community to educate others on the dietary needs of mothers and young children has proven to be an effective approach. In Sudan, for example, our projects have brought limited but, nevertheless, crucial improvements in women's dietary diversity. The proportion of infants up to five months being exclusively breastfed has improved from **49.5%** to **77.6%**, while children between six months and two years are now eating more diverse diets. However, we still need to do more to encourage community members to adopt healthy habits like breastfeeding so that all vulnerable children get the nutrition they need.

At the same time, we're working to strengthen communities' food security and resilience. Approaches we focused on in 2018 included technical support to help improve crop yields and promoting sustainable and climate-smart agricultural practices that can help households cope with weather-related shocks. In addition, evidence from our food security programmes shows that increasing incomes and strengthening community structures such as savings groups can provide a vital safety net for families when home-grown food is scarce.

In our Sanzukwe programme in Zimbabwe, for instance, the proportion of food-secure households increased from **33.4%** to **62.8%**. In Sudan, average crop production per farming household doubled from **658kg** to **1,110kg** as a result of programmes that improved livelihoods, community support for nutrition and cash for work activity to protect families from further vulnerability in a time of drought.

No child without a home...

Natural disasters, conflict and other humanitarian emergencies can leave children hugely vulnerable. With our presence in nearly **100 countries** worldwide, World Vision is quick to respond when disaster strikes – even in the hardest and most dangerous places. As well as meeting people's immediate needs, we make sure that children are safe and cared for. And we stay around to help communities to recover and build their resilience against future shocks.

Last year we responded to **22 humanitarian emergencies** on three continents, including earthquakes, volcanic eruption, flooding, protracted droughts and conflicts leading to refugee crises. We distributed food and cash vouchers, blankets, emergency nutrition, water and sanitation, medical supplies and kits containing soap, toothpaste and other sanitary products to enable people to maintain their personal hygiene and dignity. We also ran emergency education classes and set up places where children and women can find a safe space and the support they need.

We listen to the people who we work with, and we're increasingly trying to involve them in designing the projects we run. Our analysis found clear evidence of this happening in 12 humanitarian projects this year. For example, in South Sudan, where we'd been distributing pulses as an emergency source of food, local people told us they'd rather receive vouchers that enabled them to buy a range of vegetables. We also found evidence across nine projects that lessons learned from the past are being incorporated into the design of new or continuing projects.

Our emergency responses aim to strengthen resilience too, so children and communities are less vulnerable in future. Following the devastating earthquake in Nepal in 2016, for example, we've helped construct a school and a new piped water system designed to be earthquake resistant. In Somalia and Syria, we've provided vocational training to adolescents who've been forced from their homes, to broaden their chances of earning a livelihood.

Our faith and development

Our Christian beliefs and values have always been at the heart of our work. In the past year we have been exploring how the way we live out our faith influences the impact we have. A fifth of our projects this year specifically reported on how they are working with local faith leaders and other faith-based organisations. Including faith leaders as active participants in our projects, often through training and awareness-raising activities, can make a significant difference to community attitudes. Our research shows that being transparent and confident in our belief and our Christian identity builds trust and creates opportunities for us to partner with others, including those who follow a different faith, from a foundation of shared values.

Evidence of impacting the most vulnerable

For an in-depth review of how we transformed children's lives in 2018 you can download our Impact Report at:

worldvision.org.uk/our-work/impact

Our commitment to safeguarding

We are called by God to protect the most vulnerable – children in particular.

We cannot countenance harm being done to anybody in our care.

This year shone a spotlight on the issue of safeguarding. Our supporters, funders, staff and beneficiaries are understandably concerned by reports in the media of exploitation, harassment and abuse in the development sector. We took the opportunity to review and strengthen our safeguarding policies and practices. Our staff continue to receive safeguarding training, and our behaviour protocols are signed by staff, Trustees, new contractors and consultants and all visitors to the field; existing contractors and consultants will also need to abide by these protocols.

As part of the wider World Vision global partnership, we've been working closely with our international colleagues to align and strengthen safeguarding policies. We've made significant improvements in the centralisation of incident tracking and reporting, which is consistent with the processes used by World Vision International.* We're also continuing to work with colleagues across the sector to improve how we monitor and report incidents in a consistent way, and how we share information about those who have been found to have committed sexual misconduct.

DFID recognised the strength of our response in their recent "central assurance assessment", which assessed standards of leadership, governance, safeguarding practice, HR and risk within development organisations.

We welcomed the discussion with the assessors, received positive feedback in each of the areas at the time of the assessment and this has now been confirmed in a final report.

We remain committed to working with the rest of our sector to continue to improve in this area. Bond, the UK network for organisations working in international development, presented **12** commitments and **34** actions for the sector at the **DFID Safeguarding Summit** in October. The commitments recognise that we all need to get better at preventing abuse, listening to survivors, responding and learning. As well as improving standards, this will require greater accountability and transparency, taking a more survivor-centred approach when incidents do occur, and continuing to ensure that our culture and organisational capacity meet the needs of those we serve and the expectations of our donors, supporters and staff.

**Information about safeguarding incidents is reported annually in the World Vision International Accountability report. Information on accountability including our policies and latest reports can be found at: wvi.org/publications/4746*

Together we can

At 9 years old, Linda became a mother. Nine.

Her childhood was spent scavenging the enormous dump near her home in the slums of Nairobi, Kenya. A place full of unlikely treasures. And horrible dangers.

Vulnerable children are targeted there, by men who offer to buy them 'nice' things in return for sexual favours. This situation for some girls is so desperate that they sell their bodies just to afford sanitary products. 'Pretty' girls may even be used as mules, carrying drugs and guns for the slum gangs.

This is where Linda's childhood was lost.

Twaweza

Her second chance started in her teens.

Through a project funded by World Vision, Linda went back to school after she had her baby. She also received training from World Vision on tailoring and fashion design and was given a sewing machine.

Today, Linda no longer rummages through the dumpsite, targeted by preying men. Instead, she scouts the area looking for at-risk girls suffering from the same hardships she went through. With support from various donors, Linda now runs a programme for youth which she started in 2010, Twaweza meaning "we can". At Twaweza young people are mentored and trained on public speaking, beadwork and all aspects of sewing and design.

The design school is currently training 20 young people. They produce colourful crafts and jewellery for local markets and export to three countries. One of World Vision's key

donors is also exploring the possibility of selling Twaweza's goods in Europe.

Linda's outreach doesn't stop there. She gives talks in local schools, encouraging girls to protect and care for themselves.

The project also makes hygienic sanitary pads (which they distribute to schools and sell to the community), and advocates for vulnerable girls to receive support from the sexual health clinic located in the same building as Twaweza.

Her vision is to have a company and resource centre for young people:

"I want to help grow our society together to make the world a better place," said Linda.

More than a survivor

Out of the ashes of the dumpsite, Linda has emerged as far more than a survivor. She is strong, happy, confident and an inspirational role model for her daughter. Thanks to support when she was at her most vulnerable, Linda's now transforming the future for many more young people; giving them the chance to make something beautiful out of their lives.

And Linda's own daughter, now 11, can enjoy a childhood her mother never could, playing football with friends in the playground and crafting with her mum at home. She dreams of being a pilot. **Maybe she can.**

Inspiring giving

Our life-changing work is only possible because of the generosity of our supporters. By inspiring more people to give, we can have a greater impact for the world's most vulnerable children.

Over the last year we raised **£35.9m** from the UK public, slightly less than in 2017. Our unrestricted income – which we have the flexibility to spend where it's most needed – increased thanks to a rise in legacies and gifts from major donors. We continue to be humbled by the ongoing commitment of our loyal supporters, and especially grateful to all those who have or are considering including a gift to us in their Will; changing the world for children beyond their lifetime.

Child sponsorship remains at the heart of both our fundraising and our long-term development programming. We have been working more closely than ever with the World Vision Partnership to revitalise our sponsorship offer and remain grateful that so many generous people remain committed to helping communities build brighter futures for children through child sponsorship. With a challenging external context and some sponsors re-evaluating their giving when our long-term projects come to an end, we are currently still seeing more sponsors leave us than join, although the gap is closing. This year saw a **15%** increase in the number of new child sponsors joining us too. Returning our child sponsorship and wider supporter base to growth remains a top priority.

Alongside this, we continue to explore new ways to inspire people to give – for example, by bringing our **Journey of Hope** and **Village of Hope** experiences to more people. These interactive, immersive installations enable members of the public to experience what life is like for a child in a village in Sierra Leone and to see the difference that World Vision is making. They are proving an effective way to inspire people to sign up as child sponsors, support our Raw Hope initiative for children in the world's hardest places or give one-off donations. Out of our **4,993** new sponsors this year, **2,549** were recruited through these face-to-face experiences.

Our partnership with **Rend Collective** also proved a successful way of spreading our message to new audiences. During their **Good News** tour in the summer we had the opportunity to encourage fans of this well-known Christian folk-rock band to sign up as child sponsors. Based on this

experience we plan to explore similar opportunities in future.

We were particularly pleased to lead a consortium to win a large **UK Aid Connect** grant to protect children in Central African Republic, Democratic Republic of Congo and Ethiopia from the worst forms of child labour – a project that will transform the lives of some of the most vulnerable children in the world. UK Aid Connect is a **DFID** programme that supports consortia creating innovative solutions to complex challenges. We will be working with partners including



War Child UK, Thomson

Reuters Foundation and

Columbia University to tackle child labour on multiple fronts – from supporting rescued children, to increasing media coverage and working with businesses to eradicate child labour from their supply chains.

In spite of this and other individual grant wins, the total institutional income for the year of **£23.4m** was significantly lower than the **£38.8m** raised the previous year. This was in large part due to there being no new humanitarian or emergency grants, but the high-profile safeguarding scandals concerning certain international charities in 2018 had funding implications for the whole sector. We were also more selective in the grant opportunities we bid for, being intentionally focussed on a smaller footprint, and only pursuing those where we can recover a high proportion of our associated costs. Our pipeline of potential grant opportunities has reduced and will take time to rebuild, so we are not anticipating our grants income will increase until 2020.

We were, however, able to win a large grant that doesn't appear in our figures. Working together with our national office in Ethiopia, we secured **\$18.7m**, which went directly to that office. We're delighted that we could contribute to this and as the trend for localisation continues, it's important that we add value to our partners, helping them to channel funding in this way.

We're grateful to all our supporters and institutional donors, who have helped transform children's lives this year. For further details on our income, please see the financial review on page 32.

Inspiring action

We believe people in the UK can change the world for the most vulnerable children through prayer and by taking action for our cause. Together we can influence those who have the power to change children's lives.

Reaching out to churches is an important part of our work as we seek to boldly live out our faith and inspire Christians to stand with the world's most vulnerable children. Our Halloween **Pumpkin Heroes** pack, for example, provided churches with fun Bible-based resources for 4 to 10-year-olds to show God's love for all children at Halloween. We plan to develop further opportunities for engaging with churches over the coming year.

For guidance in our efforts to inspire churches and Christians, we commissioned a survey, in partnership with research firm **Barna Global**, into people's perceptions of the Church's role in society. The resulting report, **The UK Church In Action**, suggested that most people are unaware of the impacts that UK churches have through partnerships with charities like World Vision. Two-thirds of the 2,054 British adults surveyed didn't see that the UK Church made any positive difference globally. We are using the report to prompt reflection and discussion as we seek to deepen our relationship with the UK Church and to inspire Christians to **pray, act and give** to support the world's most vulnerable children.

Another way we seek to inspire change is by giving a voice to vulnerable children themselves. This year, we brought two World Vision youth leaders from Bangladesh to the Commonwealth Youth Forum in London, held alongside a meeting for Commonwealth heads of government. Tanzim and Al-Amin had a chance to voice their concerns about issues such as modern slavery, child marriage and violence against children to ministers including then Foreign Secretary Boris Johnson.

We know first-hand what a difference **DFID's** funding can make for the world's most vulnerable children, so we were pleased to be invited to partner with DFID in its **#AidWorks** initiative. We had a joint stand at the Royal Highland Show, the largest agricultural show in the UK, and at the Royal Welsh Show. More than half a million people attended the two events, and many stopped by to experience our audio-visual displays and talk to World Vision staff. We also had the opportunity to meet and engage with various DFID representatives, as well as several government ministers.

Fundraising with care

We are tremendously thankful for all of our supporters. Their generosity is humbling, both in terms of financial support and their engagement with the children and the communities we serve. We are determined to respond to their kindness by treating them with respect and courtesy, especially around how we fundraise with them and how we manage the data we have about them.

Our overall approach to fundraising

We aim to inspire supporters to join us in transforming the lives of the world's most vulnerable children, and to enhance their experience and deepen their engagement by offering a number of ways for them to get involved. If they have given us their permission, we may ask them to give. If so, we will always explain why we need donations, in clear language, and always respect their preferences about the ways in which we communicate with them.

We acquire new supporters both through our website and other online work, and by inviting support from the public in person in various locations, such as carefully selected shopping centres. This year we have not used any fundraising agencies to help us with this.

The new data protection regulations

We have responded robustly to the new **General Data Protection Regulation** of May 2018. We wrote to our supporters to re-assure them that we manage their data with the utmost care and professionalism; and invited them to contact us if they no longer wanted to hear from us. Only 1.5% did so.

We have also worked hard to ensure that all staff are aware of, and sensitive to, data protection issues in their day-to-day work, embedding this into our culture. All staff have received compulsory training and must attend annual refresher training.

Our fundraising standards

We are proud to be members of the **Fundraising Regulator** and we abide by their **Fundraising Code of Practice**, which covers various aspects of fundraising.

We monitor our fundraising carefully, as well as the overall service we give to our supporters. All supporter phone calls, emails and letters are logged – positive and negative –

with summaries and key issues communicated back to the management team on a regular basis.

Our rigorous policies and standards around complaints mean we are particularly vigilant in monitoring and responding to them, no matter how large or small. This year, we received and responded to 121 complaints about our fundraising from our base of over 120,000 supporters and the many other potential supporters we have approached.

We also conduct six-monthly **'Pulse Check'** surveys with a large representative sample of supporters and ask for their feedback around this issue, as well as various other aspects of supporter satisfaction. While we have been encouraged by the findings, we will continue to monitor responses to ensure our high standards are maintained and in line with our supporters' expectations.

Being sensitive with our fundraising

We're very aware of the potential for fundraising to become persistent and intrusive, as well as making us appear ungrateful to our supporters for the generosity they may have already shown us. We have therefore established internal standards to guide how often we contact supporters. And when we do contact them, we provide clear and simple ways for them to opt out in the future.

Treating supporters fairly

We do not want to exploit or put undue pressure on anyone, especially people who may appear to be vulnerable or in vulnerable circumstances. We have therefore established a policy to help us identify potentially vulnerable people, both when speaking to potential supporters face-to-face, and through our direct communications once they have become a supporter. Where we reasonably believe that a person may be in a vulnerable position and may not be able to make an informed decision, we will politely end the interaction and/or no longer ask for donations.

We recently took part in a customer satisfaction benchmarking exercise with the Institute of Customer Service across a number of UK-based organisations. We were delighted to be ranked in the top 10% on a par with John Lewis, amongst others.



Our plans for the year ahead

While we didn't achieve everything we wanted to this year, we believe we have put in place some firm foundations that we can build on in the years ahead. Together in 2019 we will transform the lives of the world's most vulnerable children and communities by:

Deepening our commitment to the most vulnerable

Working with our global partnership, we will continue our focus on ensuring that our work serves the most vulnerable children: those who are hardest to reach and otherwise in danger of being left behind, whether because of extreme poverty, discrimination, exploitation or disaster.

We will speak up for those children who are easily marginalised or forgotten – including through our *It takes a world* campaign. By relentlessly focusing on our cause of standing with the most vulnerable children, we will have a greater impact where it's needed most and inspire more support.

Inspiring our UK audiences

In the UK, we will focus our resources on activities that **inspire people** to participate in our cause of transforming the lives of the world's most vulnerable children, attracting new supporters and encouraging existing supporters to **deepen their engagement** through giving, action and prayer. We will build on successful initiatives like our **Journey of Hope** face-to-face fundraising experience and will test and scale up our *It takes a world* campaign.

Delivering high quality, sustainable funding

We'll work with the World Vision Partnership to refresh our child sponsorship offer and to develop new fundraising approaches that enable us to grow funds for our work in fragile contexts. Along with other opportunities to give, act and pray, we will use these to **engage new audiences**. A key goal is to attract more new sponsors than last year through face-to-face and digital fundraising and engagement with churches. We plan to become more competitive in winning and managing grants, while recovering more of our associated costs. We also intend to increase our unrestricted funding (in both quantity and diversity of sources), including through our National Leadership Council's peer-to-peer philanthropy.

Living out our behavioural imperatives: unity and trust; wise stewardship; looking outward; timely truth-telling with love.

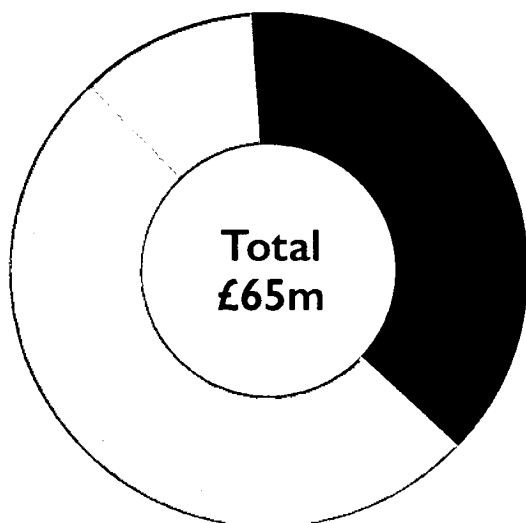
To continue to thrive in a rapidly changing world, we will **embrace creativity** as a core strength and promote innovation. Our digital improvements will make it easier to get things done. Through a structured programme of talent and skills development, we'll make sure we have the people with the capabilities we need and foster a culture of continuous learning.

In all things, we recognise that God can do immeasurably more than we ask or imagine.

Five-year finances

	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000
Committed giving and other donations	37,725	37,877	36,239	34,438	33,209
Donations for emergencies	6,092	4,272	2,753	2,824	2,662
Institutional grants	24,205	43,980	46,548	38,784	23,373
Donated goods and services	3,242	4,342	9,204	16,603	4,982
Charitable activities - government service contracts	467	359	456	274	242
Investment and other income	94	108	172	270	117
Total income	71,825	90,938	95,372	93,193	64,585
Cost of raising funds	10,893	13,329	11,512	9,507	12,072
Charitable activities	59,829	77,243	81,698	80,545	55,413
Total expenditure	70,722	90,572	93,210	90,052	67,485
Investment gains / (losses)	77	43	153	121	149
Net movement in funds	1,180	409	2,315	3,262	(2,751)
The funds of the charity					
Restricted and designated funds	8,556	8,760	12,025	16,027	11,983
General fund	7,168	7,373	6,423	5,683	6,976
Total funds	15,724	16,133	18,448	21,710	18,959
Ratios	5 Year Average				
Percentage of total expenditure:					
Costs of raising funds	14.2%	15.4%	14.7%	12.4%	10.6%
Charitable activities	85.8%	84.6%	85.3%	87.6%	89.4%
Free reserves					
Number of days' expenditure	38	31	28	28	40

Finances at a glance

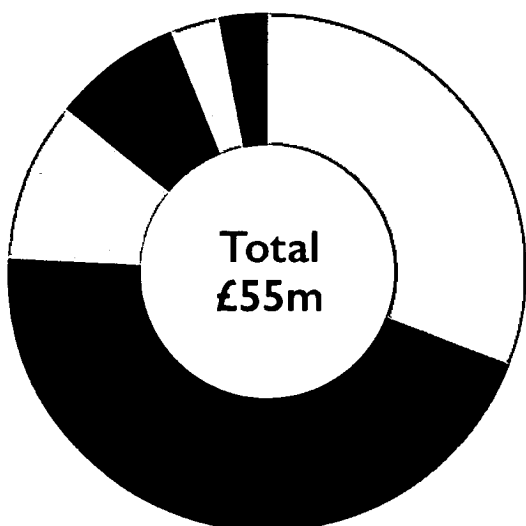
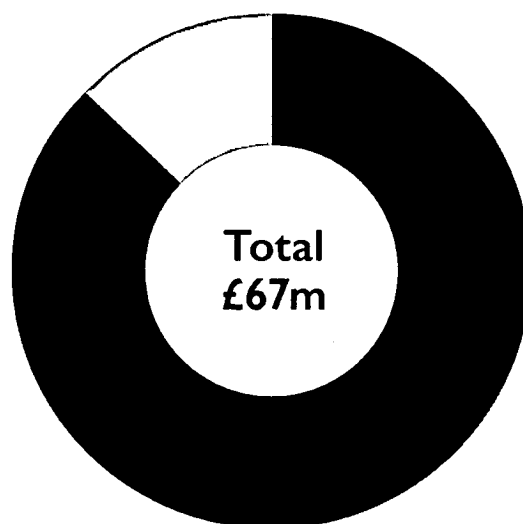


Our income

- Institutional grants, £23.4m, 36%
- Committed giving and other donations, £33.2m, 51%
- Donated goods and services, £5.0m, 8%
- Donations for emergencies, £2.7m, 4%
- Other, £0.3m, 1%

Our expenditure

- Charitable activities, £55.4m, 82%
- Raising funds, £12.1m, 18%



Our charitable activities

- Livelihoods, £16.9m, 31%
- Health, £16.4m, 30%
- Education, £8.2m, 15%
- Community empowerment, £5.6m, 10%
- Nutrition, £4.2m, 7%
- Protection, £2.1m, 4%
- Emergency response, £2.0m, 3%

2018 OVERVIEW

2018 was a challenging year, but we are proud of the way we met these challenges and what we achieved

Financial review

We work hard to be good stewards of the resources God has given us through our donors. We strive to be accountable to our supporters, our partners, and the children and communities we serve.

2018 was a very challenging year and overall our income and expenditure fell to their lowest levels since 2010. Much of this was due to changes in the external environment, with reductions in institutional grant opportunities across the whole UK international development sector affecting the amount of work we were able to obtain funding for.

However, we are proud of the way we met these challenges and what we achieved. We are grateful to our supporters and institutional donors, without whom we would not have been able to fund **225** projects that helped to bring positive change to the lives of **3.5 million people**, including **2 million children**.

Our financial and operating environment looks no less challenging going forward. However, we have made progress towards achieving our strategic objectives of returning our supporter base to growth and building our digital capabilities. These should ensure we can continue to maximise our impact for the world's most vulnerable children in the years to come.

Income

Our total income in 2018 was **£64.6** million, down from **£93.2** million in 2017. As explained in the Inspiring Giving section on page 15, this is primarily made up of **£35.9** million from public/voluntary donations (2017: **£37.3** million), and **£23.4** million in institutional grants income (2017: **£38.8** million).

Our donated goods and services income fell to **£5.0** million (2017: **£16.6** million), which is closely related to fewer new large-scale emergencies during the year.

Child sponsorship remains core to how we transform children's lives, but supporter numbers have been in decline for several years so reversing this trend remains a key strategic imperative for us. The total number of child sponsorships fell to 78k, down from 84k at the end of 2017. This had a financial consequence with child sponsorship income falling to £20.8 million (2017: £21.8 million). These reductions are in line with our plans which, following a period of strategic investment, show we expect sustained growth in child sponsorship and related income from 2022 onwards.

In the coming year we are planning for total income to remain at a similar level to 2018, followed by signs of growth in subsequent years as a result of our investments in fundraising activities.

Expenditure

Because of the fall in income from institutional grants and donated goods and services, total expenditure reduced from **£90.1** million in 2017 to **£67.5** million in 2018. Spending on charitable activities fell to **£55.4** million (2017: **£80.5** million). This resulted in the proportion of total expenditure spent on charitable activities falling to **82%** (2017: **89%**).

To implement our new long-term strategy, significant funds were set aside last year for projects to build the organisational capabilities we need to better achieve our goals for the world's most vulnerable children. These were spent on testing new channels to raise funds at lower cost, investing in digital capabilities and improving our internal efficiency and effectiveness. We also initiated a cost-reduction programme, which should have a positive impact on our core costs from 2019 onwards.

In 2019 we will push forward in scaling up our fundraising activities where it is economically appropriate and build upon the learning gained during 2018. We will also continue to invest in digital capabilities and technologies to improve the efficiency and effectiveness of our activities.

Reserves policy

Our Trustees set aside reserves to ensure our long-term financial viability by protecting our work against adverse financial events and allowing us to take advantage of opportunities as and when they arise. Our reserves policy is reviewed periodically and considers perceived operating risks, assessed sensitivities to variations in income and our expected need for unrestricted funds. The basis of determining the target level of reserves is kept under periodic review and adjusted as perceptions of risk and other factors change. This approach provides a target base level of free reserves of between **£5.7** million and **£7.3** million.

Funds

At the end of 2018 total funds stood at **£19.0** million (2017: **£21.7** million). Restricted funds that are subject to conditions imposed by donors or implied by the nature of an appeal, amounted to **£9.3** million (2017: **£10.5** million). Unrestricted funds of **£9.7** million (2017: **£11.2** million) comprised the following:

- Designated funds of **£2.7** million (2017: **£5.5** million), were (a) the Fixed Assets Fund of **£2.7** million representing the value of fixed assets less related financing. This fund will adjust as the values of these assets are amortised over their useful economic lives and as new assets are acquired; and (b) the Strategic Realisation Fund, which was set aside to finance planned activities to implement our strategy during 2018. This has now been utilised, with the balance at the end of the year transferred to free reserves. It therefore closes the year at **£nil** (2017: **£2.9** million).

- Free reserves not designated were **£7.0** million (2017: **£5.7** million) at the balance sheet date. This is within the target range of free reserves.

Going concern

Trustees have assessed the adequacy of the charity's financial resources and have concluded the structures are in place to manage the business risks we face. In addition, our budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditures. Trustees therefore have a reasonable expectation resources are adequate and control mechanisms are in place for the charity to continue in operational existence for the foreseeable future. Further, Trustees believe there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Internal controls

The charity has documented systems of internal financial controls and procedures that are reviewed regularly by management. These systems provide reasonable, but not absolute, assurance against errors or loss. The procedures aim to ensure the completeness and accuracy of accounting records and document the ways in which the Trustees have delegated financial authority within defined limits. The internal controls provide reasonable assurance that:

- financial controls are in place to safeguard assets;
- transactions are properly authorised and recorded; and material errors or irregularities are either prevented or would be detected within a timely period.

The World Vision Partnership has an Internal Audit function that is responsible for making sure appropriate audit arrangements are in place for its overseas operations, including those to which World Vision UK makes its remittances. The primary accountability of the internal auditors is to the Audit Committee of World Vision International, the legal entity providing international coordination and leadership of the World Vision Partnership. However, reports on the results of internal audits are made available to relevant investing entities who will be involved in action taken in the event there is an adverse audit report. World Vision UK has a Programmes and Projects Risk Committee that reviews internal audit reports and other risks in relation to our overseas activities and is accountable to the Board. Specific audits are also carried out for some of our government donors.

Risk management

The Trustees are ultimately responsible for risk management and the effectiveness of World Vision UK's internal control processes. The major risks to which the organisation is exposed, as identified by the Trustees, are reviewed regularly and we are continuously improving our systems and procedures to manage them.

The Board of Trustees has considered and approved the risk appetite and risk management policy of World Vision UK. It has delegated the regular scrutiny of risk to the Finance, Audit and Risk Committee, which is made up of the Chair of the committee and three other Trustees.

World Vision UK's systems and procedures are designed to inform and manage risk and to provide reasonable assurance against material misstatement or loss. Senior management ensure that the culture and process of risk management are embedded across the organisation through the effective implementation of policies and processes. Risk registers have been developed at corporate, directorate, country and major project levels. Risks are assessed and rated on their likelihood and potential impact along with the mitigation strategies in place to manage them in line with the Board's risk appetite. Operational management review and update the corporate risk register quarterly and it is shared with the Finance, Audit and Risk Committee each time they meet. The Board formally reviews and approves it annually.

There are several working groups that manage risks in high-risk areas and risk events are logged and tracked to inform the ongoing development of risk management strategies and lessons learnt. Serious incidents and compliance across the organisation are assessed internally by all departments through a quarterly process, which is reported on and reviewed by the extended leadership team and the Finance, Audit and Risk Committee.

Working with the world's most vulnerable children requires us to operate in places that are inherently challenging because of conflict, corruption, natural disasters, weak infrastructure and poor governance. We work with the support of our global partnership, governments and independent supporters, taking on board their advice to implement mitigation actions for our strategic, operational, financial and compliance risks.

A summary of the key risks we face and how we're managing them is outlined opposite.

Key Risks

Strategic Priority	Key Risk	Mitigating Actions
Increase the impact and profile of our work with the world's most vulnerable children.	Our international programmes continue to be exposed to and challenged by political and civil unrest, emerging and new crises and increasingly heightened security risks. We see increasing risk of diversion of funds to proscribed organisations and fraud as we work in more fragile contexts.	Continuous monitoring of the contexts in which we operate. Ongoing implementation of a grants framework to identify, monitor and evaluate risk. Continued focus on financial, operational and regulatory compliance. Increased enhancements to due diligence for working in fragile states. Ensuring blocked party screening, anti-fraud and corruption systems and processes are working effectively where UK funds are involved.
Embrace our faith as a strength in all we do, positively engaging with people of all faiths and none, including churches and Christians.	In the current challenging fundraising and regulatory UK context there is a risk our Christian identity starts to become diluted within the organisation and/or in how we engage with our main operational partner, World Vision International.	We will take measures to see that our Christian identity is consistently communicated and monitored internally and to all our audiences. We will continue to explore partnerships with faith-based groups and churches and go on developing new ways of reaching out to engage them in our mission.
Return our supporter base to a growth pathway and ensure our grants model is more commercially sustainable.	An inability to recruit sufficient numbers of new supporters. Loss of public confidence in World Vision and the sector in general undermines our ability to return our supporter base to growth. Similarly, a loss of institutional confidence in the same, affects our ability to win new grants. At the same time, increased competition within the grants sector means it is more challenging to win grants. And we remain over-reliant on innovation to secure a pathway to supporter growth. Ever-increasing regulatory scrutiny following events in the sector in 2018. Key regulators include the Charity Commission, the Fundraising Regulator and the Information Commissioner's Office; all have a clear interest in charities' activities around fundraising and operations leading to increased need to demonstrate compliance. High-profile safeguarding and/or other issues within the NGO sector together with sustained media pressure undermines public trust and could result in a loss of income. Major institutional donors could reduce the amount of new grants made available to the NGO sector.	Agile methods and a clear innovation framework to test out new channels of fundraising. Decisions taken quickly to stop some projects that are not delivering expected benefits and/or would have been outside of agreed risk appetite. Regulatory training delivered regularly to staff and awareness of compliance continues to increase. Registered with the Institute of Fundraising. Delivered GDPR compliance, working closely with the Information Commissioner's Office, continued working with the Charity Commission and DFID as well as the Disasters Emergency Committee. Safeguarding continues to remain a key organisational focus with improvements made to training and the vetting of staff and supporters before making visits to overseas programmes. World Vision UK will continue to report to the Charity Commission and government donors as required in a timely and transparent manner when serious incidents do occur. We continue to work with sector partners, the government and the global World Vision Partnership to consider and agree changes to policy, practice and behavioural protocols as needed.
Change our culture and organisation to become more externally focused, innovative, flexible, agile, efficient and digitally enabled.	Within the current challenging operating context there is a risk we fail to adapt sufficiently and no longer thrive because the organisation does not adapt its culture to become more externally focussed, embrace digital ways of working and become more flexible in its decision-making.	Planned culture change through ongoing improvement to recruitment processes, business planning processes and strategic planning. Enhanced decision-making protocols ensuring decisions are made more swiftly and clearly; with continued enhancements to internal communications. Regular pulse checks to understand the impact of organisational changes, and to guide leadership and management actions.

Corporate structure, governance and management

The unique structure of the World Vision Partnership means that we can work alongside children, families and communities in almost 100 countries to overcome poverty and injustice.

The World Vision Partnership is a network of national organisations constituted in a federal partnership. Many are governed by local Boards of Trustees while other country offices are branches of World Vision International and may have local Advisory Councils. This means that overall control of World Vision is not held by a central body but shared with our global partners. World Vision UK is a committed member of the World Vision Partnership. Through the Covenant of Partnership, we agree to follow common policies, standards and core documents such as statements of mission, vision and values that bind the Partnership together.

The Covenant holds us together, under God, by voluntary commitment rather than legal contract.

The Board of Directors of World Vision International oversees the World Vision Partnership's global strategy and coordination, including approving global budgets and determining international policy. The World Vision International Board appoints and evaluates the International President, who is the Chief Executive Officer and a World Vision International Board member. The World Vision International Board has 24 Board members from 19 countries, drawn from all the continents in which the Partnership operates. This system empowers World Vision offices in developing countries and ensures regional opinion is expressed.

Corporate governance

The Board of Directors of World Vision UK (the Trustees) and World Vision International recognise good governance is vital to the effectiveness of our mission and an important safeguard for accountability to the public and other stakeholders. We invest significant effort in seeking to continually improve governance both in the UK and internationally. World Vision International has a Governance Department that assists local Boards and Advisory Councils with governance by publishing guidance and providing training. It also enables mutual accountability by facilitating peer reviews that evaluate alignment with the World Vision Partnership's core documents and compliance with good governance practice.

World Vision UK

World Vision UK is a charitable company limited by guarantee and was incorporated in England on 3 November 1982 (No. 1675552) and is a registered charity (No. 285908). As a charitable company, World Vision UK's Trustees are its Directors for the purposes of company law and are the 'Members' of the charity. The Trustees' liability is limited to £1 each. The charity's governing document, its Articles of Association (revised 3 October 2018), sets out its charitable objects, its powers to achieve these objects and matters relating to the running of its internal affairs.

Charitable objects and public benefit

Trustees have a duty to develop strategic plans which further their organisation's charitable objects and provide public benefit. This report sets out World Vision UK's charitable activities for the year ended 30 September 2018 which have been carried out in accordance with World Vision UK's charitable objects for the public benefit. The Board has ongoing regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives, planning future activities and considering how planned activities will achieve its aims and objectives, which are:

1. To relieve or prevent poverty anywhere in the world, particularly (but not exclusively) among children, by means including (but not limited to):
 - emergency relief that assists people affected by conflict or disaster
 - sustainable development that improves the conditions of life in socially and economically disadvantaged communities
 - advocacy by educating, engaging with and mobilising people in the UK and other countries concerning the nature, causes and effects of such emergencies and poverty.
2. To promote and uphold the principles of the Christian religion, including (but not limited to) working with and strengthening the work of Christian churches in any part of the world in providing services to communities, including, but not limited to, those affected by conflict, disasters and poverty, regardless of race, nationality, religion, gender or political affiliation.

Board and management roles

The World Vision UK's Board of Trustees is responsible for overseeing the governance and management of the charity. The Trustees are committed to World Vision UK's mission and values and work to deliver its charitable purposes for the public benefit.

The Trustees understand their role and legal responsibilities and are required to review the Charity Commission's guidance: The Essential Trustee (C33) and the charity's governing document on joining the Board and then on an annual basis.

The Board's principal roles are:

- approving the mission, strategies, high level policies and annual business plan
- appointing and overseeing the Chief Executive
- monitoring performance and risk management
- reporting performance with integrity and transparency
- ensuring compliance with UK law and Charity Commission regulations
- managing its own governance processes, including annual evaluation of Board, Committee, Chair and individual Trustee performance
- adding value by advising management
- representing the interests of World Vision UK's stakeholders.

The Board delegates responsibility for operational management to the Chief Executive, who leads a Senior Leadership team, together comprising the Principal Officers. The Principal Officers develop most of the organisation's plans, policies and processes, and are responsible for their implementation, following Board review, advice and approval.

Board composition

The Board of Trustees is comprised of independent, unremunerated, non-executive Trustees who have a broad range of skills, background and experience. To reflect the federal model of the World Vision Partnership, the President of World Vision International is represented on the World Vision UK Board through a delegate.

The Trustees are committed to good governance and delegate responsibility for oversight of World Vision UK's governance to its Board Development Committee. This Committee is responsible for promoting an effective Board, good governance and best practice.

The Trustees recognise that an effective Board must work as a team and bring together a balance of skills, experience and knowledge to make informed decisions. Accordingly, Trustee recruitment, induction, training and development are key Board priorities and are governed by various Board operating policies which are reviewed by the Board Development Committee on a regular basis.

The Board Development Committee is responsible for overseeing Board composition and Trustee recruitment. The Committee reviews Board composition annually, considering the Board's mix of skills, experience and diversity before making recommendations to the Board for the skills, characteristics and experience to form the basis of a rolling recruitment programme.

The Trustees have used an external search agency to seek a diverse group of candidates through an advertisement and headhunting process. Trustees are appointed by the Board for an initial term of three years. Trustees may be appointed for a second term of three years and a third term of one, two or three years depending on the needs of the Board and satisfactory performance. There is provision for extension to the maximum nine years of service, normally three additional years, to fulfil obligations to governance positions within World Vision International and for the Board Chair. The Board Chair and Vice Chair are elected by the Board on an annual basis.

The Board Development Committee oversees an individual induction and mentor programme for each new Trustee, covering all aspects of the role and the organisation, which includes completion of an external one-day governance training course, and is responsible for arranging Board education and training events.

The Trustees are committed to good governance and agreed in November 2018, following a review of the new Charity Governance Code, to adopt the seven principles of good governance, identified by the Code, as part of their governance and assurance processes. Trustees are asked on an annual basis to review the Code and apply its principles when evaluating individual Trustee and Board performance. The Trustees' initial review of the Code identified the need to address some of the recommended practices identified in Principle 5 – Board Effectiveness and Principle 6 – Diversity.

In response, the Trustees conducted a thorough review of their governance structures and committee framework to allow more time for the Trustees to meet as a full Board and held a training session in October 2018 focused on diversity and agreed the following statement:

"World Vision UK is committed to creating a diverse and inclusive Board. The Board recognises the immense value of different perspectives brought by those with varied backgrounds, characteristics and life experiences. Our Board is made up by a mix of people with different skills and professional

and church backgrounds which we believe are important to ensure effective governance and decision making. We also have a target of no less than 1/3 male or female representation and increased ethnic minority membership of our Board. We are currently reviewing all our recruitment practices to ensure that they help us work towards these."

The Trustees will be continuing to review Board governance against the Code in 2019 to ensure the Board continues to have high quality governance and to identify further actions required to implement improvement.

Code of conduct

The Board of Trustees expects every Trustee, staff member and the organisation as a whole, to conduct themselves in accordance with the highest ethical standards. Trustees evaluate themselves against these standards annually by reviewing the Board's Conflict of Interest policy and Code of Conduct. Trustees are required to disclose any actual or potential conflicts of interest or conflicts of loyalty to the Board and withdraw from any related Board discussion and decision-making and to conduct themselves in a manner which upholds and maintains World Vision's core Values, Vision and Mission, as well as the effectiveness and reputation of the organisation.

Board expenses

No fees or remuneration are paid for serving as a Trustee of World Vision UK. World Vision UK reimburses reasonable expenses incurred while acting as a Trustee. This includes travel and accommodation, and childcare expenses required to attend meetings, training and orientation costs (which include a visit to World Vision UK operations in the field). Every effort is made to ensure costs are modest.

Board meetings and Board committees

The Board meets four times a year, with additional meetings as required. The Board holds three full day meetings each year and, recognising the importance of Trustees interacting with staff, holds a half-day session in October to meet with staff from across the organisation. The Board also meet with the Senior Leadership Team for an annual day of spiritual retreat and Board development.

Important governance work is carried out by Board Committees, which meet three times a year, before each Board meeting, to discharge their responsibilities under formal terms of reference, which are reviewed annually. Each Committee includes Trustees with relevant skills and experience.

The Board does not delegate major decisions to Board Committees; the Committees are responsible for considering significant issues in detail and making recommendations to the Board. The Committees are required to report substantive points of their discussion to the following Board meeting.

The roles of Board Committees are:

- The Board Development Committee is responsible for promoting good governance, recruiting Trustees and ensuring the Board works as effectively as possible. It oversees Board education and training, Trustee recruitment, induction, development and Board performance evaluation.
- The Finance, Audit and Risk Committee reviews the annual financial plan and budget, monitors risk and financial performance and ensures compliance with financial and risk policies and charity legislation. In addition, it liaises with the external auditors, reviews internal audit reports and reviews all serious incident reports and management decisions regarding the reporting of serious incidents to the Charity Commission.
- The Organisational Effectiveness and Remuneration Committee approves the remuneration policies for all staff. Additionally, it reviews organisational strategies including those for development of innovations.
- The Public Engagement Committee reviews and advises on marketing, communication and campaign strategies, monitors performance against the annual business plan and ensures compliance with fundraising regulations.
- The Policy and Programmes Committee reviews and advises on World Vision UK's development and relief programmes, its institutional grants and advocacy strategies, and oversees their implementation and the impact they have.
- Ad-hoc Board Committees and Board Working Groups are set up as and when required.

Significant governance actions and events during the financial year included:

- In preparation for two retirements in March 2018, the Board conducted a recruitment programme in Autumn 2017, using an external search agency to ensure the Board continues to be comprised of Trustees with diverse and high-level skills and experience. A Trustee with digital skills was appointed in November 2017 and a Trustee with international development experience was appointed in March 2018.

- Following the retirement of Anna Laszlo in March 2018, Richard Izard was appointed Board Chair and Linda Emery was re-appointed Vice Chair.
- In May 2018, a Trustee resigned from the Board to apply for an employed position within World Vision UK. Following an open recruitment programme, the former Trustee was offered the position. The Trustees applied to the Charity Commission for consent to employ a former Trustee and, once consent was granted, the former Trustee was employed as World Vision UK's Chief Information Officer.
- The Board reviewed and approved revisions to the Board Policy on Safeguarding, Risk Management, Investment, Serious Incidents, Data Protection, Reserves and reviewed a Vulnerable Circumstances Policy.
- The Trustees dedicated time at their March and July Board meetings to focus on risk management and assurance and the Trustees' responsibilities regarding safeguarding and serious incident reporting.
- The Board monitored progress of Management's strategy realisation plans following the launch of the new World Vision UK strategy in May 2017.
- Following the publication of the new Charity Governance Code in July 2017, Trustees were required to review the Code before completing the Board's annual evaluation and Trustee self-appraisal in January/February 2018 and the Board held a training session in October 2018 to reflect on the Code's diversity principles and introduced a revised governance structure and committee framework, retaining the existing committee structure but extending each of the Board's committee days to allow time for a separate meeting of the Finance, Audit & Risk Committee with the Chairs of the Board Committees to focus on risk and an additional two-hour Board development session.
- Two Trustees visited World Vision UK field operations in Uganda and Senegal and reported to the Board on their experiences of World Vision's impact.
- Two Trustees attended World Vision International regional meetings in Armenia to elect three regional representatives to the World Vision International Board and reported to the Board on the elections and the World Vision International President's report on World Vision's global influence and impact.

Key policies and processes

Safeguarding

World Vision has extensive policies and protocols in place to safeguard children and communities against exploitation and abuse of any kind (including sexual), as well as mechanisms that allow communities, beneficiaries and staff to report potential cases of abuse to our organisation. Our Safeguarding Policy is reviewed by the Board of Trustees under the guidance of the nominated Safeguarding Trustee. We vet all potential job candidates and seek personal and professional references to provide information about the quality of their humanitarian work. As a faith-based organisation, we often seek pastoral references from an applicant's spiritual leader as part of the recruitment process. A suite of safeguarding, employee and whistleblowing policies is reinforced by a Code of Conduct and we require all employees to sign and commit to behavioural protocols relating to child protection and treating all individuals with dignity and respect. We provide ongoing training for staff, messaging within communities and active monitoring and surveying in project areas. We have feedback and complaints systems for men, women, boys and girls in the communities we work in and World Vision staff and volunteers are encouraged to report any concerns they have about misconduct. They can also report serious concerns confidentially to a special hotline. All concerns are treated seriously, investigated as necessary and addressed by the appropriate management. Allegations of exploitation or abuse would lead to an immediate investigation and the staff member could be suspended, have their employment terminated or be prosecuted depending on the outcome of the investigation.

Diversity and inclusion

World Vision UK is committed to a diverse and inclusive workplace through recruitment, training, promotion, and flexible working policies. We have a cross-organisational Diversity and Inclusion Group that helps us to drive forward initiatives to ensure that our processes and behaviours are free from bias.

Remuneration

The Organisational Effectiveness and Remuneration Committee approves and confirms the arrangements of World Vision UK's remuneration, reward and people management policies. Utilising a structured job evaluation and reward structure, salaries are benchmarked to national salary data. World Vision UK is measured against comparable sector organisations, taking into account charity size, income and sector market rate, and this information, together with any budget restrictions, is used to set rewards.

Staff engagement

We consider staff communication to be critical in ensuring a positive working environment is embedded within the organisation. There's a weekly internal news bulletin, regular updates from the Senior Leadership team, all staff meetings and frequent staff briefings on specific events. The Board Chair also writes to all staff following each Board meeting, briefly outlining the subject matter discussed and any key decisions taken, and Board members meet staff in small groups each October.

Part of communicating with staff is the active partnership between senior management and the Staff Consultative Committee to consult and communicate with a representative body of staff on all matters that impact our employees. Matters that are regularly consulted upon include economic, financial and strategic developments, any employment issues regarding employees' working environment, and any decisions that may lead to substantial changes in organisational structure or terms and conditions.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of World Vision UK for the purposes of company law) are responsible for preparing the Financial Statements and Annual Report, including the Strategic Report, in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- **select suitable accounting policies and then apply them consistently**
- **observe the methods and principles in the Charities Statement of Recommended Practice (SORP)**
- **make judgements and estimates that are reasonable and prudent**
- **state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements**
- **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.**

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. The records should also enable the Board to ensure that the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. The Trustees have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Strategic Report is approved by the Trustees as Directors of World Vision UK.

The Annual Report is approved by the Board on 22 February 2019 and signed on behalf of the Board by:



Richard Izard

Board Chair – World Vision UK

Statement of financial activities

(including income and expenditure account) for the year ended 30 September 2018

	Notes	Restricted funds £'000	Unrestricted funds £'000	2018 £'000	Restricted funds £'000	Unrestricted funds £'000	2017 £'000
Income from:							
Donations and legacies	2a	54,008	10,218	64,226	82,545	10,104	92,649
Charitable activities	3	-	242	242	-	274	274
Investment	4	-	27	27	-	14	14
Other	5	39	51	90	199	57	256
Total income		54,047	10,538	64,585	82,744	10,449	93,193
Expenditure on:							
Raising funds	6	5,777	6,295	12,072	5,456	4,051	9,507
Charitable activities	7	49,492	5,921	55,413	76,623	3,922	80,545
Total expenditure		55,269	12,216	67,485	82,079	7,973	90,052
Gains on investments	14	-	149	149	-	121	121
Net income/(expenditure)		(1,222)	(1,529)	(2,751)	665	2,597	3,262
Net movement in funds		(1,222)	(1,529)	(2,751)	665	2,597	3,262
Reconciliation of funds:							
Total funds brought forward	19	10,512	11,198	21,710	9,847	8,601	18,448
Total funds carried forward	19	9,290	9,669	18,959	10,512	11,198	21,710

Balance sheet

as at 30 September 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	12	483	600
Tangible fixed assets	13	5,496	5,611
Investments	14	1,338	1,189
Total fixed assets		7,317	7,400
Current assets			
Debtors	15	6,736	13,683
Cash at bank		13,238	9,124
Total current assets		19,974	22,807
Liabilities			
Creditors: Amounts falling due within one year	16	(5,342)	(5,216)
Net current assets		14,632	17,591
Total assets less current liabilities		21,949	24,991
Creditors: Amounts falling due after more than one year	17	(2,990)	(3,281)
Total net assets		18,959	21,710
The funds of the charity			
Restricted funds	19	9,290	10,512
Tangible fixed assets fund	19	2,693	2,632
Strategic realisation fund	19	-	2,883
General fund	19	6,976	5,683
Total unrestricted funds	19	9,669	11,198
Total funds	19	18,959	21,710

The financial statements of World Vision UK, registered number 1675552, were approved by the Board on 22 February 2019.



Douglas Millican



Richard Izard (Board Chair)

Statement of cash flows

for the year ended 30 September 2018

		2018 £'000	2018 £'000	2017 £'000	2017 £'000
Cash flows from operating activities:					
Net cash provided by operating activities	a		4,513		(1,433)
Cash flows from investing activities:					
Deposit interest received		27		14	
Purchase of property, plant and equipment		(122)		(84)	
Purchase of intangible fixed assets		(11)		(335)	
Net cash used in investing activities			(106)		(405)
Cash flows from financing activities:					
Repayment of borrowings		(293)		(286)	
Cash flows from financing activities			(293)		(286)
Change in cash and cash equivalents in the year			4,114		(2,124)
Cash and cash equivalents at the beginning of the year			9,124		11,248
Cash and cash equivalents at the end of the year	b		13,238		9,124
Notes					
a Reconciliation of net income to net cash flows from operating activities			2018 £'000		2017 £'000
Net income for the year (as per the statement of financial activities)			(2,751)		3,262
Adjustments for:					
Depreciation charge			237		228
Amortisation charge			128		22
Gains on investments			(149)		(121)
Bank interest received			(27)		(14)
Increase in debtors			6,947		(5,067)
Increase in creditors and provisions			128		257
Net cash provided by operating activities			4,513		(1,433)
b Analysis of cash and cash equivalents			2018 £'000		2017 £'000
Cash at bank			13,238		9,124
Total cash at bank			13,238		9,124

Notes to the accounts

for the year ended 30 September 2018

1. Accounting policies

World Vision UK is a registered charity no. 285908, a company limited by guarantee and registered in England no. 1675552. The members of the charity are the Trustees named on page 52.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity's registered office is World Vision House, Opal Drive, Fox Milne, Milton Keynes MK15 0ZR.

a. Basis of preparation

These financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b. Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c. Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Financial Review.

d. Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donated goods and services, including the donated element of transportation services provided to the charity at a reduced fee, are valued at market value and included in income when distributed or utilised.

e. Expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Where expenditure cannot be directly attributed to particular headings it is allocated on a basis consistent with the use of the relevant resources measured by reference to headcount.

Expenditure on raising funds relates to activities that are intended to generate income including servicing supporters who donate under committed giving schemes such as child sponsorship. The cost of fundraising campaigns is expensed in the year in which it is incurred although income derived from the initiatives may arise in future years.

Charitable activities comprise of the following:

Funding for overseas programmes are monies expensed to overseas programmes or donated goods and services distributed to partner entities.

Programmes support costs represent the costs incurred by UK-based staff in assisting programmes overseas, including their technical development, staffing, training, management and financial control.

Advocacy, education and research are the costs incurred in the UK in educating or influencing governments, institutions and members of the public on poverty issues and includes campaigning and lobbying, public policy and research work, Christian engagement activities and educational and news publications.

Notes to the accounts

for the year ended 30 September 2018

Governance costs relate to the general running of the charity as opposed to the direct management functions inherent in the activities of the charity. They provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability and include the strategic planning processes that contribute to the future development of the charity.

f. Foreign exchange

Transactions denominated in foreign currency are translated into Sterling and recorded at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the exchange rates at the balance sheet date. Translation differences are dealt with in the Statement of Financial Activities.

g. Tangible fixed assets and depreciation

Except for laptops and computer peripherals which are expensed on acquisition, tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

Freehold land	nil
Building	50 years
Equipment, including computers	3 or 5 years
Other fixed assets, including software	3 to 10 years

h. Intangible fixed assets and amortisation

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

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight line basis over its expected useful life of 5 years.

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

i. Investments

Investments are valued at mid-market value at the balance sheet date.

j. Funds

Restricted funds are subject to conditions imposed by donors or implied by the nature of the appeal.

Designated funds are amounts which have been put aside at the discretion of the Trustees. The Tangible fixed assets fund represents the net book value of fixed assets less related borrowings, and therefore is not available for distribution. The Strategic realisation fund represents funds set aside to finance planned activities to implement the charity's strategy.

The General fund comprises of accumulated surpluses less deficits after transfers to designated funds. It allows the charity to budget for anticipated commitments in the short and medium term and to provide adequate working capital.

k. Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

l. Leasing commitments

Rentals paid under operating leases are charged to income as incurred.

m. Irrecoverable Value Added Taxation (VAT)

The company is unable to recover the majority of VAT charged on its purchases which is included in the related expense or asset in the accounts.

n. 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.

o. Cash at bank

Cash at bank is held to meet short term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from the date of acquisition.

p. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q. Financial instruments

World Vision UK's financial instruments are all common basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r. Volunteers

World Vision UK had nine volunteers working in its offices across all areas in 2018. In accordance with the SORP no monetary value has been attributed to their work. The tasks undertaken would, if it not performed by volunteers, require the employment of paid personnel. World Vision UK is grateful for the support of volunteers who help enable monetary donations to go further.

s. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. It is in the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2a Donations and legacies

At 30 September 2018, the number of children in the child sponsorship committed giving scheme was approximately 78,000 (2017: 84,000).

	Restricted £'000	Unrestricted £'000	2018 £'000	2017 £'000
Committed giving and other donations				
Child Sponsorship committed giving scheme	20,755	-	20,755	20,755
Legacies	5	970	975	456
Other donations	2,231	3,860	6,091	6,471
Tax recovered under Gift Aid	-	5,388	5,388	5,756
	22,991	10,218	33,209	34,438
Donations for emergencies				
Emergency appeals	386	-	386	1,097
Disasters Emergency Committee appeals	2,276	-	2,276	1,727
	2,662	-	2,662	2,824
Institutional grants (see Note 2b)	23,373	-	23,373	38,784
Donated goods and services (see Note 2c)	4,982	-	4,982	16,603
Total donations and legacies	54,008	10,218	64,226	92,649

2b Institutional grants

	2018 £'000	2017 £'000
Development grants	20,169	31,000
Relief grants	3,204	7,684
	23,373	38,784
<i>Grants receivable from:</i>		
Department for International Development (DFID):		
Programme Partnership Arrangement (PPA)	-	984
Girls' Education Challenge	-	2,703
Girls' Education Challenge Transition	5,133	169
DRC Primary Healthcare Access	34	1,232
BRACED - Myanmar	40	164
Nutrition Programme Turkana	(263)	340
African Climate Change Resilience Alliance	-	20
SHARP	589	628
Response to Drought-Affected Communities in Zimbabwe	(93)	1,504
CDAC Network	214	1,210
Ebola Crisis West Africa	(82)	2,430
El Niño Response	(290)	4,256
Syria Emergency Response	1,059	(199)
Stronger Cities Initiative	-	52
El Nino recovery lending VFI	-	81
Unlocking Productive Sorghum Earning for Livelihoods and Livestock	(2)	41
Forest Management and Livelihoods in Malawi	-	172
Effectiveness of Cash Programming on Nutrition Outcomes	129	104
Enhancing resilience of the flood affected people	608	-
Integrated emergency response to the Rohingya population	784	-
R2HC Uganda	222	-
The Global Fund to Fight AIDS, Tuberculosis and Malaria	7,511	7,821
United Nations	2,078	3,739
European Community Humanitarian Office (ECHO)	474	608
Other European Union	4,203	9,423
Start Fund	532	798
Other	493	504
	23,373	38,784

2c Donated goods and services

	2018 £'000	2017 £'000
<i>Donated goods and services received from:</i>		
World Food Programme (WFP) and other UN agencies	4,982	7,948
Department for International Development	-	8,655
	4,982	16,603

3 Income from charitable activities

During the year, the charity earned income from contracts for the supply of services provided for the benefit of the charity's beneficiaries from the following parties:

	2018 £'000	2017 £'000
Start Fund - Start Fund Meal Contract	242	274
	242	274

4 Investment income

	2018 £'000	2017 £'000
Bank interest	27	14
	27	14

5 Other income

	2018 £'000	2017 £'000
Use of premises	51	57
Brand marketing	39	199
	90	256

Use of premises income relates to administration fees and income relating to the use of the charity's premises by other parties.

Brand marketing income relates to a grant from World Vision International which contributed towards a brand marketing campaign during the year.

6 Expenditure

	Costs of generating funds £'000	Funding to overseas programmes £'000	Programme support costs £'000	Advocacy, education and research £'000	Governance £'000	Support costs £'000	2018 total £'000	2017 total £'000
Raising funds	9,189	-	-	-	629	2,254	12,072	9,507
Charitable activities (see Note 7)	-	48,629	2,942	2,129	284	1,429	55,413	80,545
Total resources expended	9,189	48,629	2,942	2,129	913	3,683	67,485	90,052

Costs incurred in the United Kingdom:	Programme support £'000	Advocacy, education and research £'000	Cost of generating funds £'000	Governance costs £'000	Support costs £'000	2018 £'000	2017 £'000	Basis of Allocation
Salaries	2,399	1,162	4,249	685	1,530	10,025	9,746	Direct
Employment benefits	8	3	28	21	253	313	339	Direct
Temporary staff	2	116	692	10	119	939	778	Direct
Training	25	12	48	8	49	142	136	Direct
Recruitment	10	15	67	25	98	215	228	Direct
Travel and subsistence	171	91	246	31	40	579	662	Direct
Advertising	6	131	1,083	-	5	1,225	536	Direct
Research and consultancy	211	135	476	48	105	975	995	Direct
Other marketing and communications	67	385	2,128	13	191	2,784	2,795	Direct
Equipment maintenance and rental	1	20	57	23	429	530	417	Direct
Depreciation and amortisation	-	-	-	-	364	364	251	Direct
Occupancy and supplies	35	51	66	7	357	516	656	Direct
Legal and professional	4	7	21	38	81	151	141	Direct
Bank charges and exchange differences	2	1	28	4	19	54	33	Direct
Mortgage interest	-	-	-	-	43	43	38	Direct
	2,942	2,129	9,189	913	3,683	18,855	17,751	
Allocation of support costs	797	553	2,237	96	(3,683)	-	-	
	3,739	2,682	11,426	1,009	-	18,855	17,751	
Governance costs are made up as follows:								
Board (includes Trustees' remuneration - see Note 11)						56	47	
Statutory audit (see Note 8)						40	40	
Management						913	608	
						1,009	695	

7 Charitable activities

	Restricted £'000	Unrestricted £'000	2018 £'000	2017 £'000
Support was given to the following regions (including donated goods and services)				
East Africa	22,153	1,201	23,354	25,569
Southern Africa	10,086	499	10,585	29,289
West Africa	3,963	196	4,159	7,524
Asia	5,352	265	5,617	5,923
Latin America	2,134	106	2,240	2,671
Middle East/Eastern Europe	2,548	126	2,674	2,306
Total cost of overseas programmes	46,236	2,393	48,629	72,282
Programme support costs	2,098	2,273	4,371	5,656
Advocacy, education and research	1,022	1,107	2,129	2,410
Governance	136	148	284	197
	49,492	5,921	55,413	80,545

Cost of overseas programmes

Most of our expenditure to overseas programmes for development, relief and advocacy was made to the regions listed above through World Vision International to World Vision partner entities. We also made payments for overseas programmes through non-World Vision partners.

World Vision UK's share of the programme costs of World Vision International which are not country specific are included above in proportion to the charity's remittances to World Vision International for each region.

8 Net income/(expenditure)

	2018 £'000	2017 £'000
This is stated after charging:		
Depreciation of owned assets	330	215
Amortisation of assets held under finance leases	35	35
Operating lease rentals – plant and machinery	60	178
Operating lease rentals – buildings	169	120
Interest payable on mortgage loans	43	38
Auditors' remuneration – audit fees	40	40
– other	8	-

9 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the periods:

	Property		Equipment	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Less than one year	169	132	49	49
One to five years	395	297	142	166
	564	429	191	215

10 Employee costs

	2018 £'000	2017 £'000
Aggregate payroll costs were as follows:		
Wages and salaries	8,370	8,106
Social security costs	847	832
Other pension costs	808	808
	10,025	9,746
	Number	Number
The number of employees whose actual emoluments (excluding pension costs and Employer's National Insurance Contributions) fell in the following bands is:		
£60,001 - £70,000	1	-
£70,001 - £80,000	1	3
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1

The key management personnel of the charity comprised the Trustees, the Chief Executive, Director of Finance, Risk and Central Services, Director of Policy and Programmes, Director of Fundraising, Director of Marketing and Communications, Director of Strategy and Director of People and Culture. During the year, the directorates of Fundraising and Marketing and Communications were reorganised under a single Director of Public Engagement. The highest paid employee is the Chief Executive whose remunerations and benefits, including pension contributions and Employers National Insurance contribution in the year were £126,000 (2017: £126,000). The total remuneration and benefits including pension contributions and Employers National Insurance Contributions of the key management personnel were £628,000, 7 roles (2017: £549,000, 6 roles).

The functional analysis of average monthly:

	2018 Number	2017 Number
Fundraising and supporter communication	150	121
Programme support	48	57
Advocacy, education and research	28	52
Support and governance	83	71
	309	301

While World Vision UK supports and controls its overseas programmes from the UK, implementation is performed through field-based partners, mostly members of the World Vision Partnership. This means that the charity does not employ staff to implement programmes and a large proportion of the charity's staff raise funds for those programmes and work with its supporters. During 2018 we invested in projects aimed at raising funds at a lower cost, growing our digital capabilities and improving our internal efficiency and effectiveness. These investments are reflected in our staffing associated with those activities, particularly in the area of fundraising and supporter communication.

11 Trustees' remuneration

The Trustees received no remuneration for their services. Directly incurred expenses are reimbursed, if claimed, and in 2018 totalled £4,026 (2017: £2,235), which was claimed by 5 Trustees (2017: 4 Trustees).

Expenses principally relate to travel in the UK.

Indemnity insurance is provided for the Trustees and Principal Officers of the charity. Premiums paid totalled £13,440 (2017: £13,200).

12 Intangible fixed assets

	Software £'000	Total £'000
<i>Cost:</i>		
At 1 October 2017	4,455	4,455
Additions	11	11
At 30 September 2018	4,466	4,466
<i>Amortisation:</i>		
At 1 October 2017	3,855	3,855
Charge for the year	128	128
At 30 September 2018	3,983	3,983
<i>Net book value:</i>		
At 30 September 2018	483	483
At 1 October 2017	600	600

13 Tangible fixed assets

The cost of freehold land amounting to £670,000 (2017: £670,000) is not depreciated.

	Freehold land and building £'000	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
<i>Cost:</i>				
At 1 October 2017	7,050	377	491	7,918
Additions	-	50	72	122
At 30 September 2018	7,050	427	563	8,040
<i>Depreciation:</i>				
At 1 October 2017	1,779	190	338	2,307
Charge for the year	128	73	36	237
At 30 September 2018	1,907	263	374	2,544
<i>Net book value:</i>				
At 30 September 2018	5,143	164	189	5,496
At 1 October 2017	5,271	187	153	5,611

14 Investments

All fixed asset investments are held within the UK.

The charity holds the entire issue of share capital of one £1 share in World Vision Trading Limited, which is not currently trading. This has been excluded from consolidation on the grounds of immateriality. There are no further interests in subsidiaries, so group accounts have not been prepared. Accordingly these accounts present the information about the charity and not its group.

	2018 £'000	2017 £'000
Fixed assets		
Common investment funds held by the charity		
Market value at 1 October	1,189	1,068
Net investment gains	149	121
Market value at 30 September	1,338	1,189
Historical cost at 30 September	452	452

15 Debtors

	2018 £'000	2017 £'000
Institutional grants receivable	2,404	8,578
Amounts owed by other World Vision entities	1,717	2,591
Tax recoverable	570	867
Prepayments and accrued income (including legacy income)	354	622
Other debtors	1,691	1,025
	6,736	13,683

16 Creditors

Amounts falling due within one year

	2018 £'000	2017 £'000
Mortgage loan (see also note 17)	251	238
Amounts owed to other World Vision entities	45	35
Hire purchase loan	45	60
Accruals and deferred income	1,226	1,225
Taxation and social security	314	252
Other creditors	3,461	3,406
	5,342	5,216

Included within 'Other creditors' are outstanding pension contributions amounting to £76,000 (2017: £73,000).

17 Creditors

Amounts falling due after more than one year

The mortgage loan is secured on the charity's property and is repayable over 25 years from October 2003.

Interest is charged at LIBOR (London Inter-Bank Offer Rate)

plus a Mandatory Liquid Assets cost of 0.7%.

	2018 £'000	2017 £'000
Mortgage loan repayable between 1-5 years	1,151	1,091
Mortgage loan repayable in more than 5 years	1,839	2,150
	2,990	3,241
Hire purchase loan repayable 1-5 years	-	40
Total liabilities due after more than 1 year	2,990	3,281

18 Financial instruments

	2018 £'000	2017 £'000
Financial assets		
Financial assets measured at fair value through income and expenditure	1,338	1,189
Financial assets measured at amortised cost	19,646	22,527
	20,984	23,716
Financial liabilities		
Financial liabilities measured at amortised cost	7,914	8,139

Financial assets measured at fair value through income and expenditure comprises common investment funds. Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income. Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors. The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2018 £'000	2017 £'000
Income, expense, gains and losses		
Total investment income for financial assets measured at fair value through income and expenditure	149	121
Net gains on financial assets measured at amortised cost through income and expenditure	27	14

19 Funds

The transfer between the General fund and the designated Tangible fixed assets fund represents net movements on fixed assets and the related loan.

The Strategic realisation fund represented funds set aside to finance planned activities to implement the charity's strategy.

The General fund at 30 September 2018 includes cumulative net unrealised gains on investments of £876,000 (2017: unrealised gain of £727,000).

Restricted funds £'000		Unrestricted funds			Total £'000
		Tangible fixed assets fund £'000	Strategic realisation fund £'000	General fund £'000	
Balance at 1 October 2016	9,847	2,178	-	6,423	18,448
Incoming resources	82,744	-	-	10,449	93,193
Outgoing resources	(82,079)	-	750	(7,223)	(90,052)
Transfers between funds	-	454	3,633	(4,087)	-
Net unrealised investment gain	-	-	-	121	121
Balance at 30 September 2017	10,512	2,632	2,883	5,683	21,710
Represented by:					
Tangible fixed assets	-	6,211	-	-	6,211
Investments	-	-	2,883	(1,694)	1,189
Debtors	9,622	-	-	4,061	13,683
Cash at bank and in hand	890	-	-	8,234	9,124
Creditors: amounts falling due within one year	-	(298)	-	(4,918)	(5,216)
Creditors: amounts falling due after more than one year	-	(3,281)	-	-	(3,281)
Balance at 30 September 2017	10,512	2,632	2,883	5,683	21,710

Restricted funds £'000		Unrestricted funds			Total £'000
		Tangible fixed assets fund £'000	Strategic realisation fund £'000	General fund £'000	
Balance at 1 October 2017	10,512	2,632	2,883	5,683	21,710
Incoming resources	54,047	-	-	10,538	64,585
Outgoing resources	(55,269)	-	(1,788)	(10,428)	(67,485)
Transfers between funds	-	61	(1,095)	1,034	-
Net unrealised investment gain	-	-	-	149	149
Balance at 30 September 2018	9,290	2,693	-	6,976	18,959
Represented by:					
Tangible fixed assets	-	5,979	-	-	5,979
Investments	-	-	-	1,338	1,338
Debtors	4,377	-	-	2,359	6,736
Cash at bank and in hand	4,913	-	-	8,325	13,238
Creditors: amounts falling due within one year	-	(296)	-	(5,046)	(5,342)
Creditors: amounts falling due after more than one year	-	(2,990)	-	-	(2,990)
Balance at 30 September 2018	9,290	2,693	-	6,976	18,959

Restricted funds	Balance 2016 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Balance 2017 £'000
East Africa	2,659	28,772	(26,525)	-	4,906
Southern Africa	4,033	26,685	(28,243)	-	2,475
West Africa	714	8,319	(7,269)	-	1,764
Asia	187	5,548	(5,480)	-	255
Latin America	51	3,273	(2,585)	-	739
Middle East/Eastern Europe	65	2,257	(2,053)	-	269
Cross regional initiatives	2,138	7,890	(9,924)	-	104
Total	9,847	82,744	(82,079)	-	10,512

Restricted funds	Balance 2017 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	Balance 2018 £'000
East Africa	4,906	20,094	(23,194)	-	1,806
Southern Africa	2,475	9,663	(10,640)	-	1,498
West Africa	1,764	5,031	(5,024)	-	1,771
Asia	255	7,520	(6,156)	-	1,619
Latin America	739	2,946	(2,609)	-	1,076
Middle East/Eastern Europe	269	2,975	(2,949)	-	295
Cross regional initiatives	104	5,818	(4,697)	-	1,225
Total	10,512	54,047	(55,269)	-	9,290

20 Commitments and contingent liabilities

Pension commitments

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in a group personal pension scheme, for which the company has no responsibility other than regular contributions on behalf of employees.

Contingent liabilities

There were no contingent liabilities at year end (2017: none).

21 Taxation

As a registered charity the company is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

22 Related party transactions

Marie-Eve Coulomb was a member of the Board of World Vision UK and World Vision International's President's representative until June 2018.

Marcus Frost is World Vision International's Global Marketing Director and joined as a member of the Board of World Vision UK as World Vision International's representative in June 2018.

The charity remitted £50,481,000 (2017: £64,733,000) to World Vision International to fund overseas programme costs (see also Note 7) and charged £62,000 (2017: £62,000) for office space, IT and payroll services.

At the end of the year, World Vision International and its partner entities owed the charity £1,717,000 (2017: £2,591,000). See note 15.

Independent Auditor's Report to the Members of World Vision UK

Auditor's Report

Opinion

We have audited the financial statements of World Vision UK for the year ended 30 September 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

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

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

14 March 2019

Trustees, principal officers and advisers

Board of Trustees

Serena Brown
Simon Burne
Martin Campbell (appointed November 2017,
resigned May 2018)
Jennifer Collins
Marie-Eve Coulomb (retired June 2018)
Linda Emery
Marcus Frost
Richard Izzard, Board Chair
Anna Laszlo (retired March 2018)
Marcus Manuel
Douglas Millican
Mark Parsons
Andrew Reed (retired March 2018)
Rev Canon David Richards
Julian Thomas

Secretary

Paul Wratten

Principal Officers

Chief Executive

Tim Pilkington

Director of Policy and Programmes

David Westwood

Director of Public Engagement

Graeme Newton

Director of Strategy

John Greaves

Director of Finance, Risk and Central Services

Paul Wratten

Director of People and Culture

Jacquie Heany (from 5 February 2018)

Director of Marketing and Communications

Fiona Smith (October 2017 – March 2018)

Auditors

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10 Salisbury Square
London EC4Y 8EH

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Mortlock House
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Lloyds Bank plc

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Secklow Gate West
Milton Keynes MK9 1NA

Allied Irish Bank

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Nottingham NG1 5DW

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Thank you

With special thanks to all the supporters listed: individuals, families, charitable trusts, companies, and institutions who have invested significantly in our work this year – plus those who wish to remain anonymous. We really value your partnership as we serve the world's most vulnerable children.

Children's Investment Fund Foundation
Department for International Development
Disasters Emergency Committee
Mr and Mrs Shamus and Catherine Duffy
Elrha
European Commission
European Community Humanitarian Office
The Fielding Family Trust
Mr David Henderson OBE
Hotel Puente Romano in Marbella
Howard Tenens Limited
Global Fund
Guernsey Overseas Aid Commission
The Latin American Children's Trust
Lightsource Foundation
Mr RP Jarvis
Helen and Kevin Jenkins
Mr and Mrs Jessop
The MacDaibhidh Charitable Trust
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Mrs Sarah Sherwin
Mr James Sim
Mr John Simpson
Alison Smith
The Souter Charitable Trust
Start Fund
Mrs Susan Tobbell
United Nations
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World Food Programme

We also thank our many supporters who make great sacrifices to give smaller amounts. Your contributions are greatly appreciated.

Join us

We believe that childhood is sacred – and that together, we can protect it. If you believe that too, you can give, campaign and pray with us. Together, we can transform the lives of the world's most vulnerable children.

Sponsor a child

Child sponsorship is a unique relationship, that brings real hope and a life-affirming experience.

Sponsorship gives children and their communities life-changing basics like nutritious food, clean water, healthcare and education. And it lasts.

To sponsor a child today:

Tel: 0800 50 10 10

worldvision.org.uk/child-sponsorship

Help the most vulnerable

In the world's most dangerous places, children are under threat every day. In these volatile and changing places, it's difficult to set up long-term help. Through Raw Hope, we can save and protect children living where hunger, drought and disease threaten the youngest of lives. We get right to the heart of these places, bringing relief and support to children in need and families facing crisis and uncertainty.

Sign up to Raw Hope at:

worldvision.org.uk/raw-hope

End violence against children

It takes a world is World Vision's global campaign to end violence against children.

In the UK we're petitioning the Secretary of State for International Development. We're asking for more of the aid we give to directly help protect children from violence.

Sign the petition today: worldvision.org.uk/ITAW

Leave a lasting gift

By remembering World Vision in your Will, your gift – no matter how big or small – can help fund essential projects. Your legacy can give children the opportunity to experience life in all its fullness.

To find out more and request a free legacy brochure:

Tel: 01908 84 10 60

Email: legacies@worldvision.org.uk

Pray with us

Our prayer newsletter shares updates and requests for prayer from many of the communities we're working with. Throughout the year your church can use our seasonal resources, including October's Pumpkin Heroes.

To find out more visit:

worldvision.org.uk/christian-engagement

View the prayer requests we have received from the communities you support at:

worldvision.org.uk/prayers

Follow us

Stay in touch and find out what you can do to help

Follow us: [@WorldVisionUK](https://twitter.com/WorldVisionUK)



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