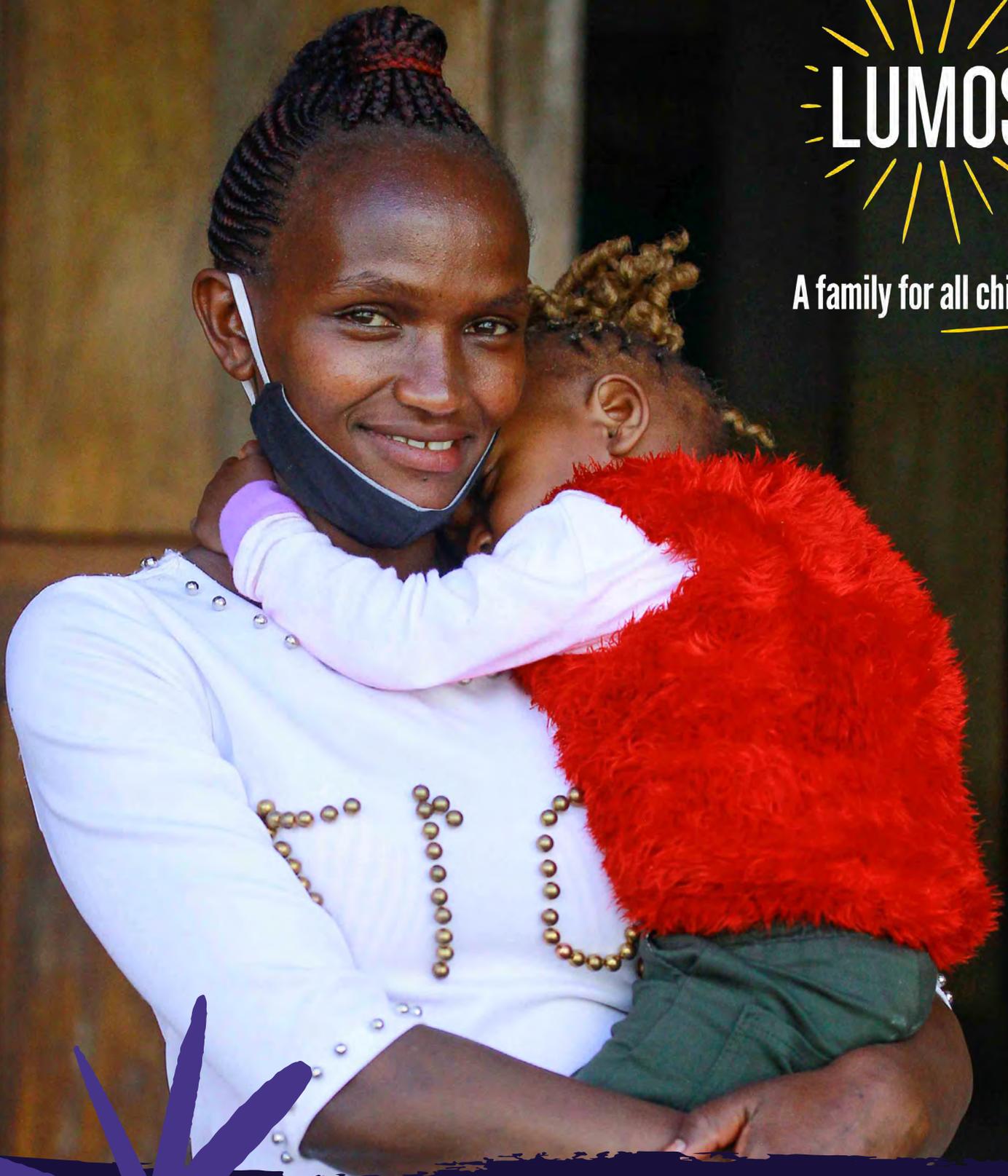




A family for all children



**YOUR IMPACT**

**FOR CHILDREN AND FAMILIES**

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MY NAME IS ELIŠKA...

“

... and I'm from the Czech Republic. Before I started working with Lumos, I was aware of the issue of children living in institutions and I was always interested in it. Joining Lumos' youth group in 2017 was an opportunity for me to engage and do something meaningful to help others.

Through the pandemic, Lumos has helped me to keep busy in difficult times and fill some of my time with meaningful activity. I've participated in a seminar, a press conference, and spoke in front of some of the highest representatives in the Czech Republic – a huge challenge! I enjoy using my voice to advocate for children's rights. It's a great opportunity for me to ensure that some things won't happen to children anymore.

I see that things are changing and I'm glad to be a part of it. I would like to continue to work with other youth advocates here to develop resources and ideas, to inspire other organisations to develop child and youth participation. If others believe in and support young people's involvement, then it's very motivating to them and great things can happen to change children's lives.

”

# OUR VISION

All children grow up in safe and loving families.

# OUR MISSION

To fight for every child's right to a family by transforming care systems around the world.

Lumos is fighting for every child's right to a family by transforming care systems around the world. We are an international charity striving for a future where every child is raised in a safe, loving home, supported by family to help them thrive.

On average more than 80% of children in orphanages have a living parent, and research proves that these institutions can harm a child's growth and development. Yet there are still an estimated 5.4 million children trapped in institutions globally.

Lumos sheds light on the root causes of family separation – poverty, conflict and discrimination – and demonstrates that children can safely be united with families. By pressing and supporting governments to reform care systems, and by building global expertise and capacity with partners, we ensure no child is forgotten.

Founded by author J.K. Rowling, we are lighting a path to a brighter future where all children can grow up in a safe and loving family.

We believe in a family for all children. Together, we are Lumos.

[wearelumos.org](http://wearelumos.org)

In a year of exceptional challenges, your support has meant we could deliver real change for children around the world. The results in this report – and the difference we've made together – are something to be proud of.

**THANK YOU.**

# FOREWORD



As we are all acutely aware, 2020 was no ordinary year. The emerging COVID-19 pandemic brought about significant challenges for children and young people, families, decision-makers, and organisations such as ours. COVID-19 severely affected our operations and fundraising efforts in 2020, as we embarked on our organisational review to ensure sustainability and the maximum impact for children.

Yet in the face of these exceptional circumstances, we continued to fight for every child's right to a family – catalysing change by leading evidence-based research and sharing our learning and expertise. Our teams stepped up their efforts, embracing a virtual approach to disseminating research, advocating and campaigning, and collaborating with partners and child and youth advisers. Meanwhile, our demonstration programme teams around the world moved swiftly to secure the programmes where we directly support children, families and care service providers to ensure their wellbeing during the pandemic.

As you will see from our joint achievements in this report, we helped many families through a tempestuous year, we continued to break down the barriers to care reform, and we helped demonstrate that achieving sustainable and safe childcare transformation is possible in even the most extreme circumstances. Our research also continued to highlight the harms of institutionalisation, the actions needed to achieve effective reform, and the links between the institutionalisation of children and trafficking.

With our new strategy to take forward and an expert team passionate about our mission to keep families together, we are also delighted to welcome a new Chief Executive Officer, Peter McDermott. Having led global and country-level initiatives to support children and their families for many years, he brings with him a wealth of experience in international development to help us influence care reform, strengthen families and communities, protect children from the long-term harm of institutions and give them the love and care they need to thrive.

We are so grateful to our supporters, our partners and our dedicated staff. We want to thank you all for helping our work to transform child protection policy and practice around the world, and for supporting many vulnerable children and young people during their darkest hours. With much exciting work ahead, your continued support will help drive our ultimate ambition for all children to grow up in happy, healthy and loving families.



*Neil Blair*

Neil Blair  
Chair of Trustees



*Roger Singleton*

Roger Singleton  
Interim CEO

# YOUR IMPACT FOR CHILDREN

We're driven by the vision of a world in which all children grow up in safe and loving families. For the past 16 years, we've worked alongside governments, civil society organisations and communities to change care systems to benefit everyone.

Today, thanks to the efforts of Lumos and our partners, the harms of institutionalisation are more widely understood. Backed by better data and increasing evidence from the fields of neuroscience and early childhood development, there's growing consensus that no child belongs in an institution.

## 2013 REDIRECTING EU FUNDS

Our joint advocacy with others helped change regulations governing European Structural and Investment Funds, leading to around €2.7 billion being allocated towards reforming care systems.

## 2015 SHINING A SPOTLIGHT ON HAITI'S ORPHANAGES

We worked with partners to assess 571 orphanages in Haiti, revealing that only one in four was licensed to operate and finding evidence of abusive practices in many of them.

## 2015 HIV CARE IN COLOMBIA

We worked with Fundamor, a Colombian NGO caring for children living with HIV, to transition from operating an institution to supporting family-based care.

## 2017 LAUNCHING YOUTH ADVISORY BOARDS IN EUROPE

In 2017, we launched national youth advisory boards in Bulgaria, the Czech Republic and Moldova to provide opportunities for young people to advocate for their rights.

## 2006 TRANSFORMING MOLDOVA

Thanks to our work with government and civil society partners, the number of children in institutions in Moldova – over 11,500 children in 2006 – had fallen by 90% in 2018.

## 2018 DISABILITY RIGHTS IN JORDAN

We helped the government in Jordan to shape national legislation on the rights of people with disabilities and develop a pioneering 10-year deinstitutionalisation strategy, with the potential to transform thousands of lives in the country.

## 2019 A LANDMARK IN CHILDREN'S RIGHTS

After years of advocacy by Lumos and our partners, the UN General Assembly adopted the landmark Resolution on the Rights of Children, focused on children without parental care.

## 2008 TRAINING CZECH PROFESSIONALS

Since we began working in the Czech Republic in 2008, the number of children in institutions has fallen by a quarter from 10,388 in 2008 to 7,921 in 2019.

## 2010 REINTEGRATION IN BULGARIA

We created innovative demonstration programmes in Bulgaria's Dobrich and Varna regions to reintegrate babies and children with complex disabilities into family-based care.

## 2020 GROUND-BREAKING RESEARCH IN THE LANCET

We played a key role in presenting authoritative and comprehensive evidence in *The Lancet*, showing the scale of institutionalisation worldwide, and the harm it causes.

In diverse countries and contexts, we're proving change is possible. Demonstrating that, with careful planning and management, child protection systems can be transformed. With children and families at the heart of our new strategy, we will build on our rich heritage to ensure we achieve an impact greater than the sum of our parts.



# YOUR 2020 HIGHLIGHTS

In **Kenya**, we've helped **102 children** affected by COVID to stay in a family setting. We provided technical support and guidance to a children's organisation in Nairobi, helping to support children and young people – some of whom were living on the streets – to return to their own families or to another loving home.

102

17

Young people leaving the care system face many challenges, from finding a place to live to getting a job. Despite COVID restrictions presenting extra challenges this year, we managed to support **17 young care leavers** in **Bulgaria's** Dobrich and Varna regions – providing training, professional courses and opportunities, and emotional and psychological support.

In **Colombia**, we helped organise 10 events attended by **170 psychologists, social workers and caregivers**. Topics discussed included the negative effects of institutionalisation and the psychological and social support needed for successful family reunification. It's all part of our work to transform the institutional care system in Colombia and promote children's right to grow up in a family.



26

The pandemic has put a strain on vulnerable children and families – but we're determined to make sure no children are institutionalised as a result. **26 organisations**, led by Lumos and Hope and Homes for Children, called on governments and EU institutions to take action to support vulnerable families and children in alternative care across Europe.



170

With our partners at the Michin Foundation in Bogotá, **Colombia**, we've been demonstrating how to support family reunification. By working with young people and their families through home visits and – due to COVID – remote support in areas like positive parenting skills, education and extra-curricular activities, we've helped reintegrate **125 boys and girls** with their families.



31

Young people with lived experience of institutions and alternative care need to be heard. We supported **31 children and young people from 22 countries** to get involved in the UN Day of General Discussion on Child Rights and Alternative Care. Their involvement ranged from planning the event to advising on a global research project that will document the experiences of children in alternative care.



125



We supported ground-breaking research estimating that **5.4 million children** live in institutions worldwide – but highlighting that many of them currently go uncounted. The shocking figure comes from a paper, commissioned by Lumos and published in *The Lancet Child and Adolescent Health* in March 2020.

5.4<sup>M</sup>



In **Haiti**, we've pushed for the closure of 13 orphanages where children are at risk of trafficking. Four more were closed this year, and we worked with partners IBESR to reunite **59 children** with their biological families. But child protection challenges in Haiti won't go away just by closing institutions – poverty and the lack of opportunities and services in remote areas must also be addressed.

4



80+

In **Jordan**, we worked with the government and NI-CO to deliver training for more than **80 members of staff** at Karak Centre, a residential institution for people with disabilities, to raise awareness about care reform. We know that many staff who work in institutions are committed, caring people – and many could be retrained to become social workers, family support workers, community nurses, foster parents and more. Getting them on board from the beginning is crucial in the move from institutions to community and family-based care.



We supported the placement of **1,328 children and young people** in family or community-based care

13

We worked with partners to safely reunify **13 Guatemalan children** with families after they had been forcibly separated by US border authorities, providing each family with six months of follow-up support. In 2018, around 4,000 migrant children were taken from their families at the US border and placed in institutional care while adults were detained or deported. With our partners at International Social Service USA, we've been working to trace families and help local social workers provide them with the support they need, including counselling and access to medical care, education and other services.

45



Social media can be a useful weapon in the fight against child trafficking. In **Haiti**, we organised **45 hours of training** on the use of social networks for communications and advocacy. The training brought together more than 40 child protection professionals from state institutions and local NGOs.



We helped **15 residential institutions** to close or to transition to another type of service provider

Our team in **Moldova** directly supported more than **250 children** – including reuniting 24 children who were in institutional settings with their families and preventing 22 children from 13 families from being placed in institutions. We also supported the national roll-out of inclusive education units for children with severe disabilities and complex needs following a successful pilot, and set up inclusive education services in 16 kindergartens. Children with special needs will now be able to attend mainstream schools, meaning they can remain living at home with their families.

250+

234

In Zhytomyr, **Ukraine**, we're demonstrating how to transform residential care into a family and community-based system. Since we began our work in the region in 2019, we've supported the transformation of seven residential institutions. Four have closed and three are in the process of closure – and the number of children in institutions has fallen by more than a third. In 2020, we helped **234 children** leave institutional settings – 162 were reintegrated into their biological families and 61 into alternative family care, including 56 children under the age of six.



In 2020, we worked with our partners to provide support services to **1,234 carers**

115



In **Panama**, we worked with partners UNICEF and SENNIACF to train **115 national and regional government representatives and civil society professionals** on the importance of transforming care systems, strengthening family and community-based alternatives and keeping families together. We also provided support in developing a national action plan for the deinstitutionalisation of children and recommendations for transforming the care system.



We trained **2,864 stakeholders** to increase their technical skills and knowledge around care transformation

# RISING TO THE CHALLENGE

The COVID-19 pandemic has brought major challenges for vulnerable children and families all over the world – and impacted our ability to raise the vital support needed to fund our work. Major face-to-face fundraising events, like our planned gala event in the US, were cancelled or moved online. Many fundraising challenges like marathons were postponed or cancelled, and fundraising in schools, universities and the community has been severely curtailed.

But we've embraced the challenge, utilising digital communications and fundraising like never before. We've produced video stories across our social media channels, sent out regular emails and mobile-friendly newsletters to keep our supporters engaged and informed, and tried out new virtual fundraising activities like the Charitybuzz online auction.

We're grateful to our long-standing supporters – including Scholastic and Warner Bros. – and everyone who helped us continue our work through the pandemic. We were also delighted to launch three major partnerships with Comic Relief US, the Kahane Foundation and the Latin American Children's Trust.

None of our achievements would be possible without your support. We're really grateful to all of you who have stayed with us during such a difficult year – dedicated donors and fundraisers, ambassadors and influencers, staff and volunteers. A heartfelt thanks for everything you have done for children and families around the world.

**FIND OUT MORE AT [WEARELUMOS.ORG/STRATEGY](https://wearelumos.org/strategy)**

## HOW WE'LL FIGHT FOR EVERY CHILD

In the coming years, we'll work hard to translate global commitments into local action, leading to lasting change for vulnerable children. We'll galvanise and support governments, civil society and other influential organisations to transform global policy intentions into action around the world. By sharing our learning and expertise, we'll also support locally led efforts that lead to lasting change and safe, quality care for vulnerable children.



### 1 BUILDING GLOBAL EXPERTISE

We'll use our knowledge and experience to support those responsible for reforming care systems in their own countries. This will include learning exchanges where they can share experiences and challenges, and providing technical support, evidence and guidance to help design and run better care systems. Importantly, we'll make sure that people with lived experience of institutionalisation are included throughout the process.



### 2 CATALYSING CHANGE

We know that ending institutionalisation benefits children and society – and we'll use this evidence to motivate and press governments around the world to reform the way they care for children. This will involve leading targeted research and advocacy campaigns to identify and tackle the drivers of institutionalisation, promoting more accountability by carefully tracking and highlighting progress, and influencing international funding, programmes and policy.



### 3 DEMONSTRATING & INNOVATING

Building on our heritage of successful programmes showing how care systems can be reformed, we'll use what we've learnt in the past to support partners with their own reform efforts. Over the next two years, as we complete our current country demonstration work in Eastern Europe, we'll identify programmes in new regions – building expertise and evidence of what good care reform looks like in challenging contexts, particularly for those children that typically get left behind.

Thanks to Lumos' team in Colombia and our partner Michin Foundation, Ana (pictured left) and her siblings are home again. We've been working with Michin to support the family through the pandemic.



## A FAMILY REUNITED

**"MY MAIN DREAM IS TO FINISH HIGH SCHOOL AND MY STUDIES WITH GOOD GRADES.**

**WHEN I GROW UP, I WANT TO BE A ROBOTICS ENGINEER OR A NOVELIST."**

**ANA, COLOMBIA**

**By her own admission, Ana wasn't an easy child. "I didn't like to be with my brothers or take care of them," she says. "I used to run away from home and I didn't think about anybody. Or myself."**

Things got worse in 2018, when Ana was 13. Her mother, Gloria, was struggling to look after Ana and her two younger brothers, Juan (now 11) and Pablo (9). Overworked but short of money and without a suitable home or family support network, Gloria turned to the state for help. Ana and her brothers were placed in the care of Michin Foundation, a residential institution in their home city of Bogotá, Colombia, until Gloria could get back on her feet.

A year later, thanks to Lumos and Michin, the children were able to return home. As part of our efforts to transform the care system in Colombia, we've been working with Michin to transition away from providing institutional care to focus on reintegrating children with their families, finding foster homes and helping families stay together.

A team of psychologists and social workers guided Ana and her family through the reunification process. Ana and her siblings received practical help to take part in school, homework and out-of-school activities, as well as vital emotional support and tools to strengthen and improve their relationships and confidence. Gloria enrolled on an employment programme for women in the local area and found work as a dressmaker.

Things were going well for the family – then the COVID-19 pandemic hit last year. Gloria's work dried up, causing the family more financial difficulties. Lockdown increased anxiety and stress for everyone, and Ana returned temporarily to care. But with our partners at Michin, we stepped in with emergency food packages and support with the rent, and Ana was soon able to come home again. We continued to support Ana and her brothers with home learning while schools were shut.

Today, Ana is less angry and more understanding. She can't wait to sing in the school choir again and is learning the cello. She's hopeful about her future: "My main dream is to finish high school and my studies with good grades. And when I grow up, I want to be a robotics engineer or a novelist."

For Pablo, the most important thing is simply being with his family: "What I like the most is that we spend time together," he says. "That we go out to the park. **That we support each other.**"

# RESPONDING TO THE CRISIS

The COVID-19 pandemic amplified the challenges that vulnerable children and families already face – from poverty and unemployment to lack of access to health, education and social services. Shifting to online learning was a struggle for many children and young people with disabilities and special educational needs or without reliable internet access and devices. Care leavers missed out on social housing and food packages, leaving some homeless and hungry. Violence and abuse increased in both families and institutions.

As residential institutions went into lockdown, children were cut off from contact with families and communities. In other cases, children were sent back to their families without proper preparation, safeguarding or support.

All these issues caused extra challenges for our teams around the world – even as we had to stop almost all our face-to-face work. But we rapidly reviewed our ways of working so we could continue to support vulnerable children and families safely.

We distributed much-needed emergency food and hygiene kits to protect the lives of vulnerable children and their families. At the same time, we worked harder than ever to prevent family separation, ensuring parents can care for their children at home.

We adapted our ways of working so we could continue to provide psychological, social and emotional support remotely. Much of our technical support, training, campaigning and research also continued online – from delivering virtual training, to sharing our research through webinars and developing online tools. Through our advocacy work, we pushed governments to make sure the needs of vulnerable children and families remained a priority during the pandemic.

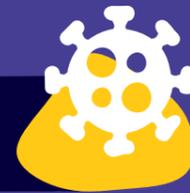
Since the start of the pandemic in March 2020, thanks to you, we've been able to provide support to **1,069 vulnerable carers** and **1,107 vulnerable children**. We've also delivered **2,661 cash grants** to financially assist families.

**OUR PROGRAMME TEAMS ADAPTED QUICKLY AND TOGETHER WE DID SOME AMAZING THINGS...**

2,848

WE CONDUCTED **2,848**  
**PSYCHOSOCIAL SUPPORT**  
**AND COUNSELLING SESSIONS**  
**WITH CARERS, CHILDREN AND**  
**YOUNG PEOPLE**

## EMERGENCY COVID APPEAL



In early 2020, we launched an emergency appeal to support our response to the COVID-19 pandemic. Our supporters generously donated £220,000, including a gift of £100,000 from our valued funding partner, the UBS Optimus Foundation.

With this funding, we were able to provide immediate support for vulnerable children and families. We were also able to quickly adapt our ways of working to continue our vital ongoing efforts to reunite children with their families and prevent family separation from happening.

In **Ukraine**, we supported the National Council of Children and Youth to develop an information campaign, **#quarantineholiday**, with resources, ideas and inspiration to support children and young people in quarantine.

In **Moldova**, we provided food and hygiene packages for more than 60 children and their families, and held over 2,300 psychosocial support sessions with children and young people to help them cope with anxiety, isolation and bereavement. We also delivered 20 virtual training sessions for 300 professionals on monitoring and supporting children at risk during the pandemic.

In **Colombia**, we provided food and economic support to vulnerable families, as well as emotional support to help children and adults manage stress, financial worries, homework and general wellbeing.

In **Bulgaria**, Lumos created the National Covid Monitoring Group with NGOs from around the country and local authorities, making sure we had expertise in the areas of children with disabilities, education, refugee children, violence, Roma children and family support. We met every month to exchange information and support each other.

In **Kenya**, we helped trace children who had been rapidly released from institutions as a result of COVID to ensure they could get the support they needed. We also supported the Kenyan government to develop ways to safely enable children to remain with their families when and where possible, after the institutions reopened.

In Haiti, we helped to reunite families such as Victor's (pictured with his family) and support them with hygiene kits and food packages.



© Lumos / Vamtz Brutus



### REUNITING FAMILIES IN HAITI

In Haiti, we've been working with the government to close down orphanages that are linked with child trafficking. One of these institutions attempted to move the resident children to another location when the authorities were busy dealing with the emerging pandemic. Fortunately, our increased monitoring meant we stopped this happening, and were able to reunite 20 children with their families.



### SUPPORTING FAMILIES IN UKRAINE

When the coronavirus crisis hit Ukraine, the government decided almost 75% of children living in institutions would be returned home. Although we welcomed children being returned to families, there was no preparation, planning or ongoing support. We moved quickly, working with the Ukrainian government to identify 43 vulnerable children in 26 families to provide support packages. We also supported the government to develop guidelines for social workers, local authorities and professionals to help families stay together through the crisis and beyond.

**“DURING THE EMERGENCY, THE HARDEST THING WAS TO FIND FOOD. THANKS TO LUMOS, WHO BOUGHT MEALS, I DIDN'T HAVE TO GO OUT EVERY DAY TO SHOP. I USUALLY HAVE TO TAKE ISUS WITH ME AND THIS WOULD HAVE PUT HIM AT RISK.”**

**DIMA, BULGARIA**



### PROTECTING VULNERABLE CHILDREN IN BULGARIA

Our team in Bulgaria identified children and families who needed emergency support during the pandemic – including one boy whose complex health conditions meant even shopping for food was a real risk. We supported him and his foster mother to move into a new government property where he could be safely cared for – and arranged access to essential food and medication.



© Home Box Office, Inc / Brendan Bannon

# CHILD & YOUTH PARTICIPATION



Children and young people have the right to have their say in the decisions that affect them – and this is something we take seriously. Our country programmes have youth advisory boards, with monthly meetings that feed into and advise our work. We also support self-advocates – people with lived experience of institutionalisation and their allies – to speak up for themselves.

This year, because of COVID-19, most of our youth participation activities took place online, and we dedicated time to supporting youth advisory board members who were affected by the pandemic. In Moldova, self-advocates created a film to highlight the impact of COVID-19 on children and vulnerable families, and in Bulgaria they created a travelling storybook of young people's experiences. They also supported their peers to understand how to stay safe and created activities and social media challenges.

Another big event in the calendar in 2020 was the UN Committee on the Rights of the Child's Day of General Discussion (now postponed till September 2021). Having previously proposed that this biennial event should focus on children's rights and alternative care, we led the overall planning and coordination, particularly making sure that children and young people participated in every stage of the process.

## SELF-ADVOCATE STORIES

Young people from the Lumos youth advisory board in Bulgaria created a travelling storybook to show solidarity with their peers in care. Dedicated to all children and young people in care across the world, this book includes stories from self-advocates in Bulgaria, Moldova, the Czech Republic, Ukraine, Austria, Cyprus and the UK. According to the young authors, the book "demonstrates that there are no geographical or other borders when young people want to support each other, share their difficulties, and dream together".

## YOUNG ADVISERS SHAPE UN DISCUSSIONS

We're putting children and young people with direct experience of alternative care at the centre of the UN Day of General Discussion. In planning the event, we worked with partners to set up two advisory teams of 31 children and young people from 22 countries, with a broad range of care experiences – including a member of the Lumos youth advisory board from Moldova. The teams have been involved throughout the planning process, from developing the concept note to advising on a global research project that will document the experience of children in alternative care globally.

## YOUNG PEOPLE OFFER ADVICE FOR CZECH JUDGES

Members of our Czech youth advisory board took part in a project with the Judicial Academy, the training centre for Czech judges. The project aims to collect experiences from children who have been through court processes, and to use this to improve proceedings and training for judges. Lumos-supported youth advocates are helping the Judicial Academy to set up a number of child and youth focus groups to discuss particular topics, such as fostering and institutional care.

## DISABILITY DISCUSSIONS IN GREECE

In Greece, we brought together young people, self-advocates, disability activists and local professionals to discuss perceptions of disability to support a UNICEF youth participation programme. With our support, UNICEF currently supports a Youth Steering Committee as well as a Committee of young self-advocates with institutional experience. Meeting every two weeks along with disabled activists and professionals, YouSmile participants include disabled and non-disabled children with experience of institutions. Their discussions, experience and learnings will feed into UNICEF's work.

## CHILDREN'S FORUM GOES ONLINE

The fourth annual All-Ukrainian Forum of the National Council of Children and Youth went online in 2020 – and was the biggest event yet. Opened by the Ukrainian President Volodymyr Zelensky and broadcast on YouTube, the event – which we helped to organise – gathered 42,400 viewers. Among the speakers sharing their views on how to improve the lives of children in Ukraine were children and young people with experience of residential institutions and with special educational needs. The Ombudsman for Children's Rights was also in attendance.

**"YOUNG PEOPLE ARE SO IMPORTANT TO SOCIETY BECAUSE THEY ARE THE FUTURE, THEY ARE THE ENERGY. THEY'RE GOING TO BE RUNNING THE WORLD SOON."**

**JEROME, YOUTH ADVOCATE**



# POWERFUL EVIDENCE

There's a compelling case to end institutional care of children, with some 300 research studies showing the long-term harm it causes. But gaps remain in the global evidence base. Capturing and deploying new evidence is an essential part of our work to drive change and fulfil our ultimate ambition for all children to grow up in happy, healthy, loving families.

Our dedicated evidence experts focused on three priorities in 2020:



Working through our **innovative demonstration** programmes to support the design of evidence-based services, capturing how care transformation can be successfully achieved across diverse systems and contexts, and sharing knowledge with other countries.



Improving **outcomes for children** by embedding pilot outcomes studies in our work, and collaborating with world-leading researchers to build the evidence on the benefits of families over institutions.



Generating evidence for **prevention and advocacy**, investigating the drivers of institutionalisation and opportunities to prevent it; and promoting data on the scale, harms and costs of institutionalisation as a lever for reform.



**GLOBAL RESEARCH STUDIES SHOW THE LONG-TERM HARM OF INSTITUTIONS TO CHILDREN**

## RESEARCHING BOARDING SCHOOLS IN COLOMBIA

In Colombia, boarding schools are seen as a solution to provide education for children in remote and rural areas – but this limits children's ability to access their right to family life. In 2020, we gathered and analysed data from 45 of the 47 boarding schools in the Guaviare region to understand more about these schools and their students. This has provided valuable evidence which Lumos, the Ministry of Education and others can use to plan improvements in the system, so that children's rights and wellbeing can be upheld.

## EXPOSING CRACKS IN THE SYSTEM

Our *Cracks in the System* report – the first of its kind – explored the relationship between institutionalisation and trafficking in Europe. Dr Petya Nestorova, Executive Secretary of the Council of Europe Convention on Action against Trafficking in Human Beings, called it “a vital addition to the evidence base and our collective understanding of how child trafficking manifests in diverse contexts.” In 2021, we'll be building on this research by publishing a global review of the links between children's institutions and human trafficking in diverse contexts.

## RESEARCH IN THE LANCET

We supported the publication of three new papers in *The Lancet* that shed new light on the situation of children living in institutions – including a paper we commissioned on the global scale of institutionalisation, which estimated that 5.4 million children live in

institutions. In June 2020, the Lancet Commission on Institutionalisation and Deinstitutionalisation, which we helped to convene, published work on the harms of institutionalisation and actions needed at global, national and local levels to achieve effective reform.

## FAMILY-BASED CARE FOR UNACCOMPANIED REFUGEE CHILDREN

In Ethiopia, we worked in four refugee camps to reduce the over-reliance on institutions by strengthening foster care as an alternative. In 2020, we conducted an evaluation of the project, which involved interviews and focus groups with staff, children, foster carers and others, and documenting what we've learnt. Unaccompanied refugee children often end up in institutions; we're aiming to change that by providing evidence showing that it's possible to find caring families for all children, even in the most challenging settings.

Constantina – an advocacy specialist – has been working for Lumos since February 2018, working with partners to help us push forward the agenda for deinstitutionalisation and positive reform in Greece



## Constantina Kintoni reflects on the impact Lumos has had in Greece – and her own experience of adopting her daughter from an institution.

When I was 18 years old, I started volunteering at an institution for children with disabilities. This is where I met the girl who later became my daughter. We connected instantly. I was very young, I didn't have any maternal instincts kicking in. I just wanted her to be out of there.

I asked my parents to adopt her, but in the end, it was me who took care of her. In the beginning, I was a foster carer then later I adopted her with my partner.

Meeting her changed the path of my life. She opened up a window on a world I didn't know existed. The world for children with disabilities and for children in institutions. I had adopted her, but there were still 98 children there. I couldn't take them all – and that wasn't the point – but I wanted to give something back.

You can't do much as a volunteer in an institution. I was determined to do things differently and fight so that children wouldn't be in this institution in the first place. We started a small organisation including advocacy but also direct work with children in institutions and their families and potential foster carers.

Later, I went into politics, and eventually became a special adviser to the minister of social affairs in 2015. This was when Lumos started working in Greece. Although there were some amazing local organisations and professionals already fighting for change, we didn't have many Greek organisations advocating for childcare reform. A few focused on elements of deinstitutionalisation like foster care, but we weren't really seeing a holistic picture.

When Lumos started work in Greece, it was a breath of fresh air. Lumos could give the bigger picture – that reform was happening in other countries – and outline the steps needed to get you there. Lumos brought its international experience and lessons learnt about what worked best in different contexts to walk us through the process. It gave us a common feeling, of belonging to a mission. Lumos gave us hope that – although this is difficult – it's definitely possible.

I started working for Lumos in February 2018, doing advocacy work to push forward the agenda for deinstitutionalisation. As a catalyst, Lumos has done excellent work. Today, you have everybody advocating for deinstitutionalisation in Greece. In 2015, you'd never have heard a minister in parliament talking about the harms of institutions. Now you hear government officials openly talking about deinstitutionalisation – and I truly believe we can take a great deal of credit for this.

When I met my daughter, she was on a feeding tube. She wouldn't speak, she couldn't walk. Nobody believed that she would develop. Today, she's a vocal advocate for deinstitutionalisation and for her friends who were left behind. To see her giving an interview, getting her message across so clearly and with so much passion, I could not be more proud of the woman she has become. She's a burst of sunshine. **Every child deserves that chance to shine.**

©Chloé Fuchs Kintoni

## CHANGING PERSPECTIVES IN GREECE

“LUMOS GAVE US HOPE THAT,  
ALTHOUGH THIS IS DIFFICULT,  
IT'S DEFINITELY POSSIBLE.”

CONSTANTINA, GREECE

# ADVOCACY AND CAMPAIGNS

All over the world, care systems are being transformed. The EU, the UN, individual countries and other organisations have made major commitments to reforming state-run child care systems and closing down institutions. But despite progress, barriers remain. So do many of the reasons children end up in institutions in the first place – from poverty and discrimination to forced displacement and child trafficking.

The COVID-19 pandemic brought new challenges – but we continued to fight for every child’s right to a family, using our influence to catalyse change in policies, practices and funding. Throughout 2020, we focused on:



**Targeted advocacy and campaigning** to make care transformation a priority, put in place supportive policies and guidance, and direct resources away from institutions towards family and community-based services.



**Thought leadership** to equip and inspire partners with knowledge and insight to embark on reform.



**Child and youth participation** – developing meaningful ways for children and young people to influence decisions that affect them, including exploring ways they can be involved in Lumos’ decision-making.

Radi [name changed] poses in front of one of the murals that presides over the centre for minors in Ceuta. Radi, who is from Guinea, was 15 when he travelled more than 5,000 kilometres, crossing four countries



## TEN YEARS OF PROGRESS IN THE EU

In January 2020, we co-organised a high-level conference alongside the European Commission, celebrating 10 years of the European Expert Group on the Transition from Institutional to Community-based Care, of which Lumos is a founding member. EU officials, civil society representatives including Lumos interim CEO Sir Roger Singleton, self-advocates and others took stock of what the EU has achieved over the past 10 years and planned next steps towards ensuring that all children and adults can exercise their right to family care and independent living.

## RETHINKING CARE FOR REFUGEES

Refugee and migrant children in Europe are often excluded from national alternative care systems, meaning unaccompanied children are missing out on suitable family- or community-based care and risk harmful

institutionalisation. This is an issue we highlighted in 2020 with a research report, *Rethinking Care*, in partnership with the UN Refugee Agency (UNHCR), the United Nations International Children's Emergency Fund (UNICEF) and the International Organisation for Migration (IOM). As our first major piece of research on refugee and migrant children, it has helped us form new partnerships and push for reform.

## CLOSING CZECH BABY HOMES

The Czech Republic is violating children’s rights by keeping infants in institutions, according to a judgement this year by the European Committee of Social Rights of the Council of Europe. The committee’s decision drew heavily on evidence from Lumos, and should finally put an end to so-called “baby homes” – an issue we’ve highlighted in the media and in parliament. Although our work has helped reduce the number of institutionalised children under three years old, in 2020 some 265 infants remained in institutions in the country. We’re working to support the transformation of these institutions and the assessment of children to find suitable alternative family care.

## ANTI-TRAFFICKING AWARENESS IN HAITI

We’ve continued to raise awareness of child trafficking and its links with orphanages in Haiti. During the 16 days of activism to end gender-based violence in late 2020, Lumos country director Eugene Guillaume participated in a talk on human trafficking broadcast on Facebook. Around Children’s Day in June, we helped launch a poster campaign with the government’s child protection agency IBESR. And as part of the Building Enduring Systems to End Trafficking (BEST) project, funded by USAID, we also conducted a knowledge, attitudes and practices survey to help guide our anti-trafficking strategy.

## SCHOOL INCLUSION IN MOLDOVA

Children with severe disabilities will be able to go to mainstream schools in Moldova – and to stay with their families – after the national education authorities approved the model of educational inclusion that we developed. In 2016, we began piloting inclusive education units for children with severe disabilities and complex needs who would otherwise be excluded from school and sent to specialised institutions. Now they have officially become part of the education system and will be rolled out across the country – giving more children a chance to fulfil their potential.

91

IN 2020, WE CARRIED OUT OR PARTICIPATED IN 91 ADVOCACY INITIATIVES FOR CARE REFORM

Grace provides advocacy, technical and in-person advice to help prevent neglect and abandonment, support parents through the pandemic and change the lives of vulnerable children



## THE GIFT OF FAMILY

**“I WANT TO SAY THANK YOU TO OUR SUPPORTERS. YOU’VE MADE A DIFFERENCE TO THE LIFE OF A CHILD.”**

**GRACE, LUMOS KENYA**

**Meet Grace. From her early work to keep children off the streets in Kenya, to her determination to stand up for struggling mothers and prevent baby abandonment, she is a shining example of the caring force that drives our work.**

Families want to care for their children. But for some unsupported and desperate parents, placing their baby in an institution may feel like their only choice. Many aren’t aware that institutions harm children and affect their emotional and physical development.

Thanks to you, Grace’s tireless work as a family-based care specialist in Kenya is helping to create a more informed and caring environment for over 2,000 mothers every year – through parenting sessions with local maternity services, parenting support groups, family celebration days and community outreach. It’s part of our early preventative approach to stop family separation.

By focusing on family strengthening and support with Pumwani maternity hospital over the last seven years, Grace has seen the number of babies abandoned at the hospital significantly reduce.

Grace explains: “There is huge potential within families and communities. When we gather with parents we’ve been working with on our family celebration days, we give them space to interact, to give feedback, and receive a practical gift. Despite limited resources, they’ve been working hard to meet their children’s needs. It’s the first time someone has celebrated their efforts.”

Last year, the family celebration day still went ahead, although the number of families involved was carefully managed. It provided a much-needed chance for parents to gather together and discuss how they were coping in challenging circumstances – and offered a much-needed break from the pressures of lockdown.

With your help, Grace wants to scale up similar support networks across Kenya and grow a community volunteer and mentorship programme to help more families. She’s also keen to support more teenage mothers, who require additional services.

“I want to say thank you to our supporters. You’ve made a difference to the life of a child, by believing that all children can grow up in a loving and safe family. Because all children should be loved. They should feel like a child and have a sense of belonging.”

© Lumos / Robert Muindi

# INNOVATIVE DEMONSTRATION



At Lumos, we're demonstrating how to keep children and their families together in a wide variety of contexts all over the world. From our demonstration programmes in Moldova, Bulgaria, the Czech Republic, Ukraine, Haiti and Colombia, and projects we support in Kenya and Russia, we're identifying and documenting innovative ways to transform care systems. By showing and sharing what we learn, we can make change happen on a larger scale, and transfer knowledge, experience and evidence to other countries and contexts.

In 2020, we had to adapt our work significantly due to the pandemic – but we remained focused on demonstrating that reform is still possible in this new context. Within our demonstration programmes, we're providing technical advice and building the capacity of governments, local authorities, NGOs and professionals to transform care systems, and pushing to get the necessary legislation and support in place, to ensure the rights of all children to grow and thrive in families and communities.

Looking ahead, we aim to move on from those countries where high-quality transformation is safely and irreversibly under way, and to launch innovative demonstration projects in new contexts where care reform is most needed.

## A MILESTONE IN COLOMBIA

Fundamor, an institution for children with HIV, became the first institution in Colombia to begin shifting to a community-based care model with our support in 2017 – and in 2020, it finally completed the process. Between January and March, the last 44 children and young people moved out of the institution to live with their biological families, independently, in foster care or another appropriate care setting. Fundamor now focuses on providing ongoing support to children with HIV and their families.

## STRENGTHENING FOSTER CARE

We've been promoting foster homes as an alternative to institutions across Colombia, and we strengthened this work by running four virtual training sessions for 59 professionals with the Colombian Family Welfare Institute ICBF. Our partner Key Assets, the Canadian fostering agency, shared their experience in recruiting and monitoring foster families, and an expert psychologist gave a talk on building the resilience of foster families. We also gave our input into national guidelines for foster homes, with ICBF accepting our recommendations.

## SMALL HOMES, BIG PROGRESS

In Pardubice county in the Czech Republic, we've been helping dismantle large institutions and set up smaller group homes where children can receive the personal care they need to thrive. Three of the five county-run institutions, which used to house up to 40 children each, have now been successfully transformed. Children have been moved into small family groups of up to six, and independent apartments have been created for older care leavers. We've also been strengthening community services and supporting foster carers in the region.

## EARLY INTERVENTION IN THE COMMUNITY

To ensure young children and their families can get the support they need close to home, we're piloting a holistic early intervention approach with Moldova's ministry of health and social protection. We opened the first early intervention centre in Floresti, providing services to families with children under five who have developmental disorders, including disabilities, or who may be at risk of developing them. Along with the centre, we've opened four early intervention offices at the community level. Now we're working with the government to extend and replicate these services across Moldova.

## CLOSING INSTITUTIONS IN MOLDOVA

Another residential institution in Găgăuzia, Moldova, closed in September 2020, the culmination of two years of work with families, communities, local authorities and services, and staff from the institution. Over that time, we successfully helped reintegrate 47 children with their biological families, after they had been placed in the Congaz residential institution because of physical and learning disabilities or family vulnerability. The process also included training and support for all 29 Congaz employees to help manage the transition, as well as work to strengthen community services.



© Fundamore Colombia

**233**

WE HELPED

**233 STAKEHOLDERS**

**LEARN ABOUT CARE**

**TRANSFORMATION**

**BEST PRACTICES**

**THROUGH VIRTUAL**

**STUDY VISITS**

Thanks to the efforts of Lumos and Michin Foundation, Felipe and his siblings were able to return home. We've been working closely with Michin to move away from providing residential care to reuniting families like Felipe's and giving them the support they need to stay together.



**"I was a little problematic before," admits 18-year-old Felipe. "I was disobedient. I help my dad now, and I help my brothers in what I can. I used to dress ugly, like those criminals out there. I look better now."**

Felipe lives with his dad, two brothers, two sisters, his grandma, three dogs and two cats in a house in the hills that surround Bogotá, Colombia. There's a lot of love and laughter in their home now, says his sister Rosa: "We are all very close."

But it hasn't always been so easy. With their mother in prison and their dad hard at work, the kids had some behaviour problems. In 2018, with their father struggling to cope, Felipe and his younger siblings were taken into the care of Michin Foundation, a residential institution.

The children's basic needs were met, but what was missing was a family. "I really needed to be with my dad and my sister," says his sister Rosa. "Sometimes I felt alone."

Felipe agrees. "Practically they gave us everything, but the thing we needed was the love and affection of someone who loved us," he says. "We could have psychologists, social workers, classmates, teachers... but we didn't have the love of a dad, which was what we needed."

A little over a year later, the siblings got what they needed: they returned to their family home, thanks to the work of Lumos and Michin. As part of our mission to end the institutionalisation of children in Colombia, we've been working with Michin to transition away from an institutional care model to providing support for children within family settings.

A psychologist and social worker have been helping the children to readjust to life at home. "They have taught us to be very tolerant and to focus on school," says Rosa. "When we have a problem, we immediately tell them and they help us with everything."

"They always make us smile," adds José, their youngest brother. "They helped us become better people and improve our behaviour."

The pandemic brought new challenges. Their dad lost his job, and the social worker and psychologist couldn't visit. Luckily, we were still able to step in and support the family. Last year, we helped provide emergency food packages and financial support for other essential items, and a tablet so the children can continue to speak to their social worker and keep up with their studies.

The children agree that the greatest strength of their family is the bond between them: they like to spend time together playing, cooking or walking the dogs. "Like every family, we have problems," says Felipe, "but what unites us is love."

## UNITED IN LOVE

**"LIKE EVERY FAMILY, WE HAVE PROBLEMS. BUT WHAT UNITES US IS LOVE."**

**FELIPE, COLOMBIA**

© Lumos / Irene Littfack

# CHANGING THE SYSTEM

We want to transform the way children are cared for all over the world – but changing whole systems isn't something we can do alone. To catalyse change, we seek out and work with a wide range of partners across different regions, sectors and thematic areas.

Throughout 2020, we focused on:

Providing targeted guidance and expertise to partners leading care reform through our **remote support and technical assistance programmes**. This includes advising a number of government and NGO partners who are championing care reform in their own contexts. In 2020, our remote support programmes included Ethiopia, Jordan, Malaysia, Panama, Russia, and Ukraine.

Leveraging our international experience, creating a range of training resources, tools, and learning exchange opportunities to **build capacity and expertise** of high-level stakeholders across the globe. This includes training and advising government departments, NGOs, institutions, social workers and other professionals involved in the process of care reform.

Cultivating **strategic partnerships and alliances** to collaborate, share learning and shape global care reform efforts. In 2020, we strengthened partnerships across Latin America and the Caribbean, Asia, Africa and the Middle East and helped drive forward strategic initiatives and networks to achieve change at scale.

*With training, guidance and funding from Lumos, Fundamor in Colombia embarked on a process of transforming care – striving at all times to ensure each child's best interests were met.*



## TRANSFORMING CARE IN PANAMA

We successfully completed the first phase of a programme to transform care in Panama, where more than 1,500 children and young people currently live in institutions. In partnership with the National Secretariat for Children, Adolescents and the Family (SENNIAF) and UNICEF, we developed a national action plan on transforming care and helped build national capacity to deliver it. Work continued despite the pandemic – we delivered remote training for strategic partners in Panama, provided virtual technical advice to protection system officials, and jointly developed tools and documents to inform and guide the care reform process.

## SUPPORTING REFUGEES IN ETHIOPIA

Working with partners on the ground in four refugee camps in Ethiopia, we managed to place high numbers of unaccompanied children into foster families – despite the challenges of the pandemic. To prevent the spread of COVID-19, it was important to

switch to remote ways of raising awareness and carrying out monitoring, but work continued placing children in families and recruiting new foster carers, with appropriate social distancing and health measures in place. Social workers in the camps were also trained and supported to promote COVID prevention, including through weekly phone calls to unaccompanied children and their caregivers.

## TRAINING AND COLLABORATION IN LATIN AMERICA AND THE CARIBBEAN

We're seeking to influence child protection policies in all 33 countries in Latin America and the Caribbean through our partnership with the Inter-American Children's Institute (IIN), the specialised children's rights agency of the Organization of American States (OAS). Together, we're developing an online training course on transforming care, tailored to the region's diverse contexts. OAS is one of the most influential actors in Latin America and the Caribbean, so it's a great opportunity to influence and guide care reform in the region.

## SHAPING REFORM IN JORDAN

COVID-19 poses a threat to people with disabilities living in institutions – and a challenge to deinstitutionalisation work in Jordan. But by working with the government and NI-CO, we achieved a lot in 2020. This included advising the newly established deinstitutionalisation unit and developing tools and resources to support local care reform. Other successes included designing and delivering an awareness raising programme through a combination of face-to-face and remote training – with local Jordanian experts running sessions in person.

## FIGHTING FOR CHILDREN'S RIGHTS

As part of the Global Movement for Children – a coalition of organisations focused on fighting for children's rights in Latin America and the Caribbean – we responded to the pandemic in the LAC region, working with partners to advocate for the rights of children to live in a family and prevent the loss of parental care. We helped to develop, review and disseminate technical guidelines to promote the protection of families disproportionately affected by the pandemic.

871

OUR REMOTE SUPPORT PROGRAMMES TRAINED  
871 STAKEHOLDERS  
IN THE SKILLS NEEDED TO TRANSFORM CARE SYSTEMS

Country Director of Lumos Bulgaria, Bisser uses his vast knowledge and experience to help us transform a system that has historically seen institutions as the universal solution to children's problems.



## A DECADE OF PROGRESS IN BULGARIA

**“BY DEVELOPING OUR ABILITY TO WORK THROUGH PARTNERS, WE’RE REACHING EVEN MORE CHILDREN.”**

**BISSER, BULGARIA**

### **Lumos’ country director in Bulgaria, Bisser Spirov, reflects on the things we’ve achieved together.**

I’ve been working for Lumos for more than 10 years, and I’m so proud of what we’ve achieved in Bulgaria during that time. Institutionalisation is harmful and transforming the childcare system to provide quality services for children and families, especially for the most vulnerable, is not only possible but also mandatory in a modern, civilised society.

One area that has really made a difference is assessing the wants and needs of the family as well as children. When Bulgarian authorities first began the process of moving children out of institutions, we insisted that it was extremely important to visit their families. Despite sceptical predictions that families wouldn’t be found or wouldn’t want to participate, 1,388 families were interviewed, and more than half were adamant in their desire to restore and maintain contact with their children.

Another success that stands out is our work with children with untreated hydrocephalus, a brain condition. Many families can’t afford the standard treatment, called a shunt, and often these parents were persuaded that it would be better to place their child in an institution. We provided funds for shunts for seven children so they could stay with their families. And following our awareness-raising activities, the costs are now covered by the authorities: more than 1,000 children have received this life-changing treatment, and their parents have not had to face the dilemma of where to find money to buy medical supplies.

But I am most proud of a small, single case: a boy with very complex needs – profound multiple disabilities combined with serious health problems – who was in a critical condition in a home for children with disabilities. He’s now been living in a foster family for five years. The Lumos team not only supported the boy and his foster mother, but also did everything possible to promote this unprecedented case in Bulgaria to make it clear that children with complex needs and profound disabilities can also live in a family.

In 2020 we quickly reorganised our work to respond to the COVID-19 crisis. We reached out to vulnerable children and families, while at the same time supporting NGO service providers to promote their work more effectively so they can reach more people online in these unparalleled times. By developing our ability to work through partners, we’re reaching even more children.

I believe that soon the last old-type institution for children in Bulgaria will be closed. But deinstitutionalisation doesn’t end with the closure of specialised institutions. All of our work to change local and national policies aims to make sure that the voices of vulnerable children are heard, their individual needs are recognised and met, and families receive the support they need to care for them in the best possible way.

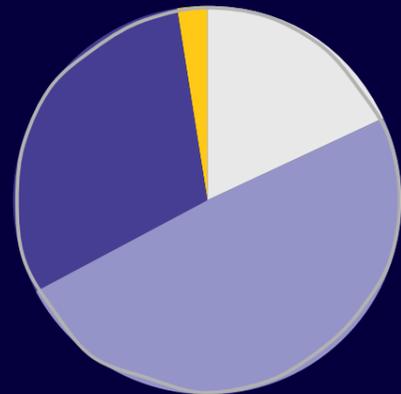
**FIND OUT MORE AT [WEARELUMOS.ORG/BULGARIA](https://wearelumos.org/bulgaria)**

# OUR FINANCES

A summary of our income and expenditure for the year ending 31 December 2020.

## INCOME IN 2020

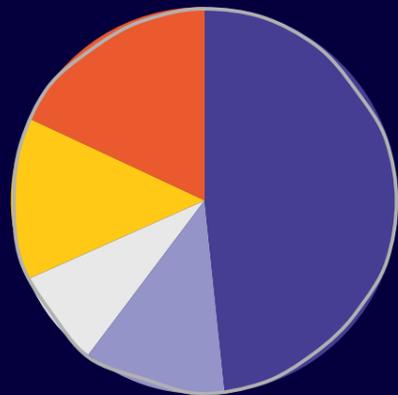
Lumos' income totalled £5,518,000



- £1,007,000  
Funds from individual giving
- £2,703,000  
Grant income
- £1,680,000  
Income from royalties
- £128,000  
Investment and other income

## EXPENDITURE IN 2020

Lumos' expenditure totalled £9,925,000



- £4,798,000  
Deinstitutionalisation activities
- £1,196,000  
Global Training
- £808,000  
Research
- £1,336,000  
Advocacy and Campaigns
- £1,787,000  
Cost of raising funds

Lumos' overhead and administrative costs are met by the generous support of J.K. Rowling and other donors. 100% of other donated funds directly support our projects and programmes.



# THANK YOU FOR YOUR SUPPORT

## LUMOS DONORS

We couldn't achieve our mission without the dedicated support of all our donors.

We're grateful to the following organisations and individuals who, alongside many other generous supporters, including private philanthropists and royalty donors, have provided funding during the last year:

The A D Charitable Trust  
Bloomberg Philanthropies  
Comic Relief UK & Comic Relief US  
European Commission  
GHR Foundation  
Kahane Foundation  
Latin American Children's Trust  
MacArthur Foundation  
The Noble Collection  
Potted Productions Ltd  
UBS Optimus Foundation  
United States Agency for International Development (USAID)  
Warner Bros.

We're also grateful for the support and expertise generously provided by:

American Airlines  
The Blair Partnership  
Herbert Smith Freehills LLP  
Kathy Bates  
Kirkland & Ellis LLP  
Locke Lord LLP  
Pottermore Publishing  
Richard Curtis  
Scholastic  
Sonia Friedman Productions, Colin Callender, Harry Potter Theatrical Productions  
StonehillSalt PR

Our work wouldn't be possible without the generosity of others, and we're grateful to all of our supporters for their contributions in 2020.

THANK YOU

## PRINCIPAL RISKS

### Statement of risks and uncertainties

Lumos maintains a corporate risk register, prepared in accordance with Charity Commission guidance. This register assesses the likelihood and impact of key corporate risks across the following areas: governance; operations; finance; programmes; external and safeguarding. The register is reviewed and updated quarterly by risk owners and the Executive Leadership Team; it is then shared quarterly with the Finance and Risk Committee and the Board. There is dedicated risk session with the Board once a year.

As well as the corporate risk register, the Finance and Risk Committee receives quarterly updates on wider risk management activity and explores individual risk areas. The Committee also reviews the charity's overall risk management arrangements on an annual basis.

In 2020 Lumos updated its risk management arrangements following an external review. This resulted in the implementation of more comprehensive risk management processes which are better aligned with the charity's work, and which build on strong practices in the areas of security and safeguarding. In Q1 2021 the charity reviewed and updated its internal risk management policy. It will take further steps in Q3 and Q4 to embed risk management within the wider organisation including by the provision of risk management training as part of a new project management framework.

The charity has identified the following six key risk areas from its corporate risk register, and continues to review them regularly as part of its approach to risk management:

**1) Operational risks: uncertain future impact of COVID-19** – the risk that the COVID-19 pandemic will have continued serious impacts to those helped by our programme work, staff health and wellbeing, operations and income.

**Mitigating actions:** (i) programmes/ safeguarding: risks incorporated into programme work and planning; regular monitoring and reporting on safeguarding risks; (ii) staff: ongoing review of country situations and robust return-to-office working process consistent with local law; (iii) risk to income: see risk area 2 below; and (iv) a dedicated COVID-19 committee meets monthly to review latest developments and approve office/face-to-face working and travel arrangements.

**2) Financial risks: balancing income and expenditure** – the risk that income will not cover expenditure with the result that the charity's reserves are depleted and its programme work and staff are affected (this risk has been exacerbated by the COVID-19 pandemic).

**Mitigating actions:** (i) strong collaboration between the Finance and Fundraising functions in income monitoring and forecasting; (ii) contingency planning around events fundraising in view of COVID-19, (iii) diversification of funding sources; (iv) stronger oversight and monitoring of income and expenditure and related financial planning; and (v) greater scrutiny of and support to fundraising plans and performance by senior management and Board.

**3) Operational risks: country instability impacts programme work and staff** – the risk to programme work and staff security from political unrest and general instability in countries where Lumos operates.

**Mitigating actions:** (i) improve staff awareness of Lumos security procedures by training on security and crisis management policy and protocols; (ii) close monitoring of high-risk programmes through regular calls with country offices; and (iii) detailed review of local context for future programme work.

**4) Safeguarding risks: the risk of harm to children** through the charity's programme work with related risks to the charity's reputation and finances.

**Mitigating actions:** (i) improvements to safeguarding due diligence procedures and staff training; (ii) implementation of the updated global safeguarding policy and related reporting protocols with associated staff training and capacity building; and (iii) integration of safeguarding into programme design and reporting.

**5) External risks: the risk of negative media interest in the charity** as a result of its association with a partner organisation or other key stakeholder, related to an incident which is not connected with Lumos or its work, with reputational and potentially financial implications to the charity.

**Mitigating actions:** (i) updated due diligence processes and training with associated compliance, monitoring and reporting; (ii) specialist communications support; and (iii) crisis response protocols.

**6) Programmatic risks:** the risk that the implementation of a new strategy and operating model during an organisational transition period could lead to impacts to programme delivery including to those we help, our reputation and to fundraising.

**Mitigating actions:** (i) strong safeguarding processes during transition of programme work; (ii) regular review and adaptation of the implementation plan for the new operating model as needed; (iii) strong communication with key stakeholders and donors associated with the new strategy and transition.

## FINANCIAL REVIEW

A summary of the year's results can be found on page 55 of the attached accounts.

Lumos financial results summary	2020 £'000	2019 £'000
<b>Total income</b>	<b>5,518</b>	<b>9,732</b>
- Funds from individual giving	1,007	6,935
- Grant income	2,703	1,475
- Income from royalties	1,680	1,101
- Investment and other income	128	221
<b>Total expenditure</b>	<b>9,925</b>	<b>12,756</b>
- Charitable activities	8,138	10,445
- Cost of raising funds	1,787	2,311
Other (losses)/gains	(363)	541
<b>Net Funds movement</b>	<b>(4,770)</b>	<b>(2,483)</b>
<b>Reserves carried forward</b>	<b>6,731</b>	<b>11,501</b>
- Unrestricted	6,490	11,251
- Restricted	241	250

Over the past five years Lumos has gone through a period of planned, accelerated expenditure growth. This was due to a number of large global projects to help return children to their families and in response to natural disasters, particularly in Haiti.

This global expansion plan is reflected in the accounts, with staff numbers increasing significantly as several new programmes were established. While income increased in 2019 through a varied range of online fundraising activities and events, it did not keep pace with the expenditure on expansion of our programmes and staffing. The difference between income and expenditure was funded by reserves, and we remained committed to reaching those children who were separated from a safe and loving family.

Many charities have been negatively affected by the coronavirus pandemic, with Lumos unable to hold many fundraising events, traditionally a major source of income. During 2020, Lumos undertook a significant change programme, including the publication of a new strategy, a restructuring of its operations and a reduction in headcount. Lumos senior leadership and the Board have agreed a strategy to achieve a balanced budget, without letting the reserves fall below £1.5m. Our aim is to maintain a sustainable platform for our future operations.

## Investment policy and performance

Lumos' funds available for investment are managed by Close Brothers Asset Management (CBAM), who have been carefully selected by the Board and mandated to manage such funds to protect the value of the funds as they are drawn down to fund the planned growth. This is done through investment in a diversified portfolio of equities, bonds and alternative assets. CBAM's positioning and performance are formally reviewed by the Board's Finance & Risk Committee quarterly. The funds held by CBAM are managed in accordance with the charity's Investment Mandate, which is set by the Trustees.

At year end, funds managed by CBAM on behalf of Lumos amounted to £1,536k. Following a strong absolute and relative performance in 2019 the portfolio faced more challenging times in 2020, both in terms of volatile markets but also in terms of providing for near and medium term financial commitments. As an act of prudence monies were raised to match outgoings and the remaining portfolio risk level was reduced to reflect the potential for further funding needs.

## Fundraising policy

Lumos ensures compliance with regulations on the protection of donor information and use of personal data. The protection of children at the heart of our mission extends to our supporters and the public, to ensure all individual preferences of donors are upheld, and no one is unduly pressured to donate to Lumos.

We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for all fundraising events, activities and interactions with donors. In 2020, there were no fundraising complaints.

Our fundraising strategy is designed to increase and diversify sustainable revenue streams to mitigate against the risk from vulnerabilities within different funding sectors. As with many charities, our income is at risk due to fluctuations in the economy, regulatory changes, and shifting donor priorities, and public trust in charities, all of which we monitor closely and respond to through our in-year plans.

## Reserves policy and going concern

The TRUSTEES balance a prudent reserves policy, which ensures that Lumos has sufficient funds to complete ongoing activities in the event of a significant fall in income and strengthening and increasing the impact of the organisation.

The charity holds sufficient unrestricted funds for the following purposes:

### To mitigate the principal financial risks facing Lumos

In terms of income, this includes the risk that income does not match organisational expenditure growth. In addition to fundraising risk, there are also risks of stock market variations, which may negatively impact the value of the investment portfolio and future levels of return.

Unrestricted funds are used to manage the negative cash flow during the year, as Lumos typically receives the majority of its income in the final quarter.

### To enable Lumos to provide emergency response services

There are situations that can arise throughout the year where an immediate response is required before income is received from fundraising activities.

### To support working capital funding requirements

In a number of Lumos programmes expenditure is made prior to claiming the expense from the donor, usually on a quarterly basis. Lumos also receives a sizable amount of income in the second half of the year which has an impact on the cash flows of the charity.

## To help to protect Lumos work beyond the current year

In the event of a sustained downturn in income, Lumos would require a period of time to make adjustments to programmes in order to minimise any related impacts to children. This includes the established country demonstration programmes in Europe, Latin America and the Caribbean programmes in Haiti and Colombia, and technical support that is provided to a number of countries around the world, where Lumos does not have a physical presence.

Finally, Lumos retains funds to maintain its 100% pledge to the public, so that no portion of their donation is used to fund overhead costs.

## COVID-19 Implications

The COVID-19 pandemic has had a significant, immediate impact on the organisation's operations and, at the present time, it is still not clear how long the current circumstances are likely to last and what the long term impact will be. In many programmes, expenditure has been reduced through limitations in operations as a consequence of COVID-19 restrictions. This reduction in expenditure has restricted income in our grant and statutory funded programmes.

Some staff were furloughed and salary costs have been supported by government assisted programmes both in the United Kingdom, the United States of America and Belgium. Since April 2021, no staff have been furloughed.

Lumos has taken steps to reduce non-essential expenditure.

Significant events-based fundraising activities in 2020 were cancelled. A targeted COVID-19 appeal in 2020 and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2020 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

## Funds

Our target base level of general reserve is £1.5m and the ratio calculated is equivalent to approximately 3 months operating expenses.

At 31 December 2020, Lumos had total funds of £6.7m (2019: £11.5m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2020 is £5.3m (2019: £9.9m).

### Restricted funds (£0.2m)

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

### Unrestricted funds (£6.5m)

## Conclusion

Given the level of reserves and the prudent steps taken in 2020 to reduce expenditure by pausing non-essential work and furloughing some staff, coupled with the organisational review that better aligns income and expenditure resulting in reduced expenditure for 2021 & 2022, the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

# DIRECTORS' REPORT:

## GOVERNANCE AND FINANCIAL STATEMENTS 2020

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document and objects

Lumos was incorporated as a charitable company limited by guarantee with no share capital on 3 November 2005 and is based in London. It is registered in England under company number 05611912 and is registered with the Charity Commission under charity number 1112575.

Lumos is governed by its Articles of Association dated 3 November 2005 as reviewed and amended from time to time most recently in January 2016. Lumos' objects as stated in its Memorandum and Articles of Association are as follows:

- The relief of poverty and sickness; the promotion of education; the promotion of child health and development; and the prevention of cruelty to or maltreatment of children in any part of the world.
- Such other exclusively charitable objects as the Trustees in their absolute discretion determine.

As part of the organisational review completed during 2020, the updated mission and vision statements of the Charity were updated as follows: (i) vision: all children grow up in safe and loving families; (ii) mission: to fight for every child's right to a family, by transforming care systems around the world.

#### Governance Review

In July 2019 the Trustees commissioned an external review of Lumos' governance arrangements which was carried out by Lumos' auditors, Crowe UK LLP. The review was based on, among other sources, the UK Charity Governance Code and included a survey of Trustees and senior managers. The Review, completed in March 2020, resulted in a number of recommendations covering three principal areas: (i) the relationship between the Board and the executive leadership team, including delegation and reporting arrangements; (ii) the composition and skills of the Board of Trustees and the Board Committee structure; and (iii) the global structure. The recommendations were presented to the meeting of the Board of Trustees in April 2020. A detailed action plan to implement the recommendations was approved by the Board at the same meeting and all agreed actions were completed by early 2021.

#### Organisational Review

During 2020 we undertook a comprehensive review of our strategy and organisational structure to ensure that we maximise the use of our expertise and resources to have the greatest impact for vulnerable children. The review was based on a rigorous and participative assessment of the external environment and of the charity's own capabilities. As a result we developed and adopted a new strategy which has three key priorities:

- 1) BUILDING GLOBAL EXPERTISE:** use our knowledge and experience to support those responsible for reforming care systems in their own countries. This will include learning exchanges where they can share experiences and challenges, and providing technical support, evidence and guidance to help design and run better care systems. Importantly, we'll make sure that people with lived experience of institutionalisation are included throughout the process.
- 2) CATALYSING CHANGE:** we know that ending institutionalisation benefits children and society – and we'll use this evidence to motivate and press governments to reform the way they

care for children. This will involve leading targeted research and advocacy campaigns to identify and tackle the drivers of institutionalisation, promoting accountability by tracking and highlighting progress, and influencing international funding, programmes and policy.

**3) DEMONSTRATING & INNOVATING:** building on our heritage of successful programmes demonstrating how care systems can be reformed, we'll use what we've learnt to support partners with their own reform efforts. Over the next two years, as we complete our current country demonstration work in Eastern Europe, we'll identify country demonstrations programmes in new regions – building expertise and evidence of what good care reform looks like in challenging contexts, particularly for those children that typically get left behind.

In order to deliver on this new strategy, the charity made some organisational changes, restructuring our operations to form a multidisciplinary approach to tackle the challenges affecting children, and maximising our resources to have the greatest impact. One of the fundamental changes involved in implementing the new strategy is a shift away from direct in-country delivery of long-term country programmes to the establishment of a cadre of technical experts that can work flexibly providing support in different jurisdictions.

#### Related organisations

Lumos Foundation Operations Limited was incorporated as a private company limited by shares on 18 December 2019 (England and Wales). Its sole member and thus its parent company is Lumos Foundation. Lumos Foundation Operations Limited operates as a trading entity for Lumos Foundation and donates its distributable profits to Lumos Foundation.

Lumos Foundation USA Inc. was incorporated in New York, USA, on 6 November 2015, and obtained 501(c)3 non-profit status on 27 March 2015. Lumos Foundation USA Inc. is included in the consolidated accounts on the basis that Lumos Foundation exercises influence and control over Lumos Foundation USA Inc. in accordance with Financial Reporting Standard 102.

Friends of Lumos USA Ltd was incorporated as a charitable company limited by shares on 20 March 2015 and was dormant until 31 March 2016. The sole member of the company, and thus its parent entity, is Lumos Foundation USA Inc. Friends of Lumos USA Ltd is a dual qualified charity that permits individuals to obtain tax relief in the United States and also in the United Kingdom, thus enabling US citizens and green card holders resident in the United Kingdom to support Lumos' objectives in a tax-efficient manner.

The Lumos Foundation USA Inc. statement of financial activities results for 2020 are a deficit of £420k. During the year, Lumos Foundation Operations Limited was dormant and Friends of Lumos USA Ltd was effectively dormant.

#### Trustees

The Board of Trustees of Lumos Foundation administers the charitable company. The Board meets at least four times a year and provides strategic direction to the work of Lumos. The Trustees make decisions by a majority vote.

Trustees give their time freely, receiving no remuneration or other financial benefit.

A Trustee is a member of the Board of Trustees of Lumos and a director for the purposes of the Companies Act 2006. The Trustees who held office during the year are listed at page 72.

All Trustees must be members of the charitable company. The maximum number of Trustees is ten. Following the Governance Review the Trustee recruitment process was strengthened including ensuring external advertising for future appointments. Lumos currently has eight Trustees, selected to provide a mix of skills necessary to Lumos. All Trustees are given an induction programme and are offered opportunities for appropriate training.

During 2020, in addition to Board meetings, Lumos Trustees undertook considerable work through the following Committees:

- Finance & Risk Committee
- People Committee
- Programmes and Safeguarding Committee
- Fundraising Committee

A system of Trustee appraisal operates via the People Committee. A skills audit based on a Board skills matrix was conducted in Q4 2020; this exercise helps to determine the range of skills and experience which would be required to fill existing gaps and those created by retiring Trustees in the coming year. These arrangements were reviewed and updated as a result of the governance review.

## Organisation

The Chief Executive Officer and Executive Leadership Team provide the Board with advice on the strategic direction of the charity and manages operations on behalf of the Board and with the Board's guidance. The Chief Executive Officer is responsible for monitoring all aspects of Lumos' work and regularly reporting progress to the Board. As part of actions implemented as a result of the Governance Review, a scheme of Board reserved and delegated matters was approved by the Board in July 2020 to improve clarity on matters which are reserved for decision by the Board and its Committees. The executive delegated authorities was also updated in 2020. Management reporting protocols updated as part of the 2020 governance review will be further refined later in 2021 as a result of the implementation of new project management and organisational results frameworks.

## Related parties and cooperation with other organisations

None of the Trustees receive remuneration or other benefits from their work with the charity. Any connection between a Trustee or senior manager of the charity with any related party is disclosed to the full Board of Trustees. Related party disclosures take place annually as part of the external audit process and any conflicts of interest are declared at each Board meeting.

## Grant-making policy

While Lumos is not primarily a grant-making organisation, the charity does issue grants occasionally to further its charitable objects. These grants tend to be in countries where Lumos does not have a permanent base, or a sub-grant of a grant received by Lumos.

Grants are issued only where an opportunity has been identified, where funding exists and when due diligence has been carried out on the ability of the grantee to deliver against the grant. All grants follow Lumos' standard internal procedures, opportunities are assessed by the Executive Team and approved by the Chief Executive Officer and/or the Trustees in line with Lumos' procedures.

## Investment powers and restrictions

Under its Articles of Association, Lumos has the power to invest in ways that the Trustees see fit. The Trustees have appointed investment managers, Close Brothers, to manage Lumos' investment funds. Investment performance is managed by the Finance and Risk Committee.

## Pay policy for senior staff

The Trustees consider that the Board of Directors (who are the charity's Trustees), together with the Executive team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 11 to the accounts.

The pay of the senior staff is reviewed annually, taking into consideration market conditions and sector averages for charities of a similar size. If recruitment has proven difficult, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

## Public benefit

The main activities undertaken by the charity to further its objects for the public benefit are described further in this Report. Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Lumos Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 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 charitable 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, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by order of the Board of Trustees.



**Neil Blair**  
Chair of Trustees

**Lumos Foundation**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMOS FOUNDATION

### Opinion

We have audited the financial statements of Lumos Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated balance sheets, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's 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/group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of 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 group charitable company and their 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 and proper 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 set out on page 50, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, employment legislation, General Data Protection Regulation (GDPR) and taxation legislation. We also considered compliance with the local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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.

**Tim Redwood**  
Senior Statutory Auditor

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

London

## Consolidated statement of financial activities (including income and expenditure account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
<b>Income from:</b>					
Royalties	1	1,680	-	1,680	1,101
Donations and Gift Aid		978	29	1,007	6,935
Investment income		99	-	99	215
Other income		29	-	29	6
Charitable activities					
Grant income	2,17	1,028	1,675	2,703	1,475
<b>Total income</b>		<b>3,814</b>	<b>1,704</b>	<b>5,518</b>	<b>9,732</b>
<b>Expenditure on:</b>					
Raising funds	4				
Raising funds and donor communication costs		1,757	-	1,757	2,262
Investment management costs		30	-	30	49
Charitable activities	5	6,425	1,713	8,138	10,445
<b>Total expenditure</b>		<b>8,212</b>	<b>1,713</b>	<b>9,925</b>	<b>12,756</b>
<b>Net expenditure</b>		<b>(4,398)</b>	<b>(9)</b>	<b>(4,407)</b>	<b>(3,024)</b>
<b>Other recognised gains/(losses):</b>					
Net gain/(loss) on investments	14	(301)	-	(301)	621
Exchange rate losses		(62)	-	(62)	(80)
<b>Net movement in funds</b>		<b>(4,761)</b>	<b>(9)</b>	<b>(4,770)</b>	<b>(2,483)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		11,251	250	11,501	13,984
<b>Total funds carried forward</b>	18	<b>6,490</b>	<b>241</b>	<b>6,731</b>	<b>11,501</b>

All the charity's activities are derived from continuing operations during the two financial periods. The charity has no recognised gains or losses other than those shown above.

## Consolidated balance sheets as at 31 December 2020

	Notes	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
<b>Fixed assets:</b>					
Tangible assets	13	1,038	1,038	1,212	1,212
Intangible assets	13	103	103	150	150
Investments	14	1,536	1,536	4,276	4,276
		2,677	2,677	5,638	5,638
<b>Current assets and liabilities:</b>					
Debtors	15	2,689	2,533	1,934	1,896
Short-term deposit		49	-	770	-
Cash at bank and in hand		2,602	2,544	4,302	4,258
		5,340	5,077	7,006	6,154
<b>Creditors:</b>					
Amounts falling due within one year	16	(1,286)	(2,647)	(1,143)	(1,853)
Net current assets		4,054	2,430	5,863	4,301
<b>Total assets less current liabilities</b>		<b>6,731</b>	<b>5,107</b>	<b>11,501</b>	<b>9,939</b>
<b>Funds:</b>					
Restricted funds	17	241	226	250	242
Unrestricted funds	18	6,490	4,881	11,251	9,697
<b>Total funds</b>		<b>6,731</b>	<b>5,107</b>	<b>11,501</b>	<b>9,939</b>

The Lumos Foundation charity statement of financial activities results for 2020: £4,832k deficit (2019: £2,560k deficit).

Approved and authorised for issue by the Board of Trustees and signed on their behalf by:

Neil Blair  
Trustee



Nitin Pasricha  
Trustee



Date: 14 July 2021

Lumos Foundation  
Registered Company Number: 05611912 (England and Wales)

## Consolidated statement of cash flows

	Notes	2020 £'000	2019 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(4,969)	(1,324)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		99	215
Purchase of tangible fixed assets		-	(2)
Proceeds from the disposal of investments		2,943	4,086
Purchase of investments		(463)	(228)
<b>Net cash provided by investing activities</b>		<b>2,579</b>	<b>4,071</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(2,390)</b>	<b>2,747</b>
Cash and cash equivalents at 1 January 2020	B	5,127	2,576
Change in cash and cash equivalents due to exchange rate movements		10	(196)
<b>Cash and cash equivalents at 31 December 2020</b>	<b>B</b>	<b>2,747</b>	<b>5,127</b>

## Notes to the statement of cash flows for the year to 31 December 2020

### A) Reconciliation of net movement in funds to net cash used in operating activities

	2020 £'000	2019 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	(4,770)	(2,483)
<b>Adjustments for:</b>		
Depreciation charge	221	224
Exchange rate (gain)/loss	(10)	196
Losses/(gains) on investments	301	(621)
Dividends and interest from investments	(99)	(215)
(Increase)/decrease in debtors	(755)	1,623
Increase/(decrease) in creditors	143	(48)
<b>Net cash used in operating activities</b>	<b>(4,969)</b>	<b>(1,324)</b>

### B) Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,602	4,302
Cash held as current asset short-term deposits	49	770
Cash held by investment managers	96	55
<b>Total cash and cash equivalents</b>	<b>2,747</b>	<b>5,127</b>

## PRINCIPAL ACCOUNTING POLICIES

### Basis of accounting

The financial statements of Lumos Foundation, which is a public benefit entity under Financial Reporting Standard 102, have been prepared on a going concern basis under the historical cost convention, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS102), the Charities Statement of Recommended Practice (FRS 102), the Charities Act 2011 and the Companies Act 2006. The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The principle accounting policies, which have been applied consistently in the year, are set out below.

### Consolidation

The results of the subsidiaries are consolidated on a line-by-line basis. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) not to include a parent only cash flow statement in these accounts.

The Board of Lumos Foundation USA Inc. exercises discretion and control over all funds received by Lumos Foundation USA Inc. There is a concurrence of purpose between Lumos Foundation USA Inc. and Lumos. There is also an agreement between Lumos and Lumos Foundation USA Inc. which governs the use of Lumos name and trademark that allows Lumos' strategic influence in, and agreement on certain operational matters of Lumos Foundation USA, Inc. worldwide. Group accounts are therefore prepared consolidating Lumos Foundation USA Inc.

The sole member of Friends of Lumos USA Ltd, and thus its parent entity, is Lumos Foundation USA Inc.

### Accounting estimates and areas of judgement

The Trustees do not consider there to be any accounting estimates or areas of judgement in the preparation of the accounts which result in a material effect to the financial outcome of the year.

### Going concern

The COVID-19 pandemic has had a significant, immediate impact on the organisation's operations and, at the present time, it is still not clear how long the current circumstances are likely to last and what the long term impact will be. In many programmes, expenditure has been reduced through limitations in operations as a consequence of COVID-19 restrictions. This reduction in expenditure has restricted income in our grant and statutory funded programmes.

Some staff were furloughed and salary costs have been supported by government assisted programmes both in the United Kingdom, the United States of America and Belgium. Since April 2021, no staff have been furloughed.

Lumos has taken steps to reduce non-essential expenditure.

Significant events-based fundraising activities in 2020 were cancelled. A targeted COVID-19 appeal in 2020 and virtual fundraising activities took place to replace the shortfall in income. Donations and fundraising campaigns for 2020 have been negatively impacted by COVID-19. The value of investments in the Lumos portfolio was also negatively impacted by the pandemic.

At 31 December 2020, Lumos had total funds of £6.7m (2019: £11.5m). The level of free reserves (in this case being unrestricted excluding intangible and tangible fixed assets) at 31 December 2020 is £5.3m (2019: £9.9m).

Given the level of reserves and the prudent steps taken in 2020 to reduce expenditure by pausing non-essential work and furloughing some staff, coupled with the organisational review that better aligns income and expenditure resulting in reduced expenditure for 2021 & 2022, means the Trustees are satisfied that the charity will remain a going concern in the foreseeable future.

### Fund accounting

Unrestricted funds are funds which are available at the discretion of the Trustees in furtherance of the general objectives of the charitable company, and which have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Where grants are received for specific purposes, they are credited to restricted funds. Costs up to the value of the grant relating to this restricted income are allocated against the income when the expenditure is incurred. Unspent balances are carried forward to subsequent years within the relevant fund.

### Income recognition

Income is included in the SOFA when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability. The following specific policies apply to the categories of income:

**Royalty income** is recognised on an accruals basis in the period to which the earnings relate, provided that the charity is able to estimate the amount receivable prior to the date of approval of the financial statements. Royalty income is stated net of Value Added Tax, overseas withholding taxes, returns provisions and bad debt provisions.

**Donations** are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Gift Aid in respect of donations is accounted for in the year in which the related donation is recognised.

**Investment income** dividends receivable from the investment portfolio are included in the SOFA in the period in which the charity is entitled to receipt. Interest receivable from cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Grant income** is recognised as income in the SOFA when receivable. Income is deferred only if the grant was subject to donor-imposed conditions that specified a future time period when the expenditure of the resources should take place.

**Investments:** listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

### Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is added to the appropriate underlying expenditure.

**Fundraising and publicity costs:** expenditure on fundraising includes the costs of seeking all categories of income except those directly associated with charitable activities. Publicity expenditures include the costs of disseminating and publicising the work of the charitable company. Fundraising and communications costs have been allocated to the expenditure categories based on estimates of time spent in the year.

**Investment management costs** are recognised as they are payable to the investment manager.

**Charitable activities** are analysed into the major themes of the organisation, and comprise expenditure related to the furtherance of the charitable company's objects. Costs include the direct costs relating to the overseas operations, branches and related projects, and allocated support costs.

**Governance costs** include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees, costs linked to the strategic management of the charitable company and other compliance costs.

**Support costs** are those costs incurred in connection with the management and administration of the charitable company. They have been allocated on the following bases: administration, legal and compliance, human resources, information systems and office services costs are allocated based on head count; finance costs are allocated based on expenditure.

**Pension costs** contributions by the charity in respect of the group personal pension scheme are included in the Statement of Financial Activities when they are payable.

**Grant liabilities** are recognised once the charity has a constructive or legal obligation to make a payment.

**Tangible and intangible fixed assets:** the charitable company capitalises all assets with a cost in excess of £1,000 that are to be held for continuing use. Land is not depreciated. Depreciation is provided on all other tangible and intangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings	30 to 50 years
Office equipment	10 years
Fixtures and fittings	5 years
Computer equipment	3 years
Leasehold improvements	Over the lease term until the break clause
Motor vehicles	7 years
Software	5 years

**Foreign currencies:** monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

**Lease commitments:** rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. The benefit of a rent-free period is spread evenly across the lease term.

**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.

**Current asset – short-term deposit:** current asset investments include cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short-term cash commitments of the charity as they fall due.

**Cash at bank and in hand** includes cash and short-term cash commitments of the charity as they fall due, rather than for investment purposes.

**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.

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

## Notes to the financial statements

### 1) Royalty income

	2020 Total Funds £'000	2019 Total Funds £'000
Royalties from published books	1,638	949
Other royalties	42	152
<b>Total</b>	<b>1,680</b>	<b>1,101</b>

### 2) Grant income

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Trusts and foundations	835	438	1,273	884
Changing the Way We Care	–	195	195	205
United States Agency for International Development (USAID)	–	846	846	299
Grants from other governments and public bodies	152	138	290	59
Other grants	41	58	99	28
<b>Total</b>	<b>1,028</b>	<b>1,675</b>	<b>2,703</b>	<b>1,475</b>

### 3) Subsidiaries

The activities of Lumos Foundation USA Inc. (557 Broadway, New York NY 10012, USA, IRS Reference number 47-2301085) and its subsidiary Friends of Lumos USA Ltd (Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK, charity registration number 1170023, UK (England and Wales) company registration number 09502092) are consolidated into the accounts of Lumos Foundation. The net income for Friends of Lumos USA Ltd of £nil is included within the consolidated summary financial performance of Lumos Foundation USA Inc. below:

	2020 £'000	2019 £'000
Income	1,615	2,191
Expenditure	(2,036)	(2,055)
<b>(Deficit)/surplus for the year</b>	<b>(421)</b>	<b>136</b>
<b>Opening reserves</b>	<b>2,056</b>	<b>2,029</b>
<b>Loss on foreign exchange</b>	<b>(46)</b>	<b>(109)</b>
<b>Opening reserves after loss on foreign exchange</b>	<b>2,010</b>	<b>1,920</b>
<b>Closing reserves</b>	<b>1,589</b>	<b>2,056</b>
<b>Reconciliation of funds</b>		
<b>Current assets</b>	1,972	2,238
<b>Current liabilities</b>	(383)	(182)
<b>Net current assets</b>	<b>1,589</b>	<b>2,056</b>

### 3) Subsidiaries (continued)

In 2019, there was a licensing agreement between Lumos Foundation Ltd and Lumos Foundation USA Inc. for the use of intellectual property including the Lumos trademark. Pursuant to the terms of this agreement, during that year, Lumos USA Inc. paid royalties of £8k. The agreement ceased in 2020.

During the period, Lumos Foundation provided a grant to Lumos Foundation USA Inc. of £953k (2019: £891k) to cover administration and overhead costs in 2020.

In 2019, Lumos Foundation USA Inc. made a grant of £74k to Lumos Foundation to support Moldova, and Emergency Intervention. Lumos Foundation provided donated services of £nil (2019: £84k) to Lumos Foundation USA Inc.

At the year-end an amount of £1,439k (2019: £806k) was due to Lumos Foundation USA Inc. and Friends of Lumos USA Ltd owed to Lumos Foundation £12k (2019: £9k).

### 4) Raising funds

	2020 Total Funds £'000	2019 Total Funds £'000
<b>Raising funds and donor communication</b>		
Fundraising costs	1,488	1,740
Donor communication costs	45	73
Support costs (note 8)	224	449
	1,757	2,262
Investment management fees	30	49
<b>Total</b>	<b>1,787</b>	<b>2,311</b>

### 5) Charitable activities

	Activities Undertaken Directly £'000	Support Costs (note 7) £'000	2020 Total Funds £'000	2019 Total Funds £'000
Advocacy and Campaigns	1,037	299	1,336	2,234
Deinstitutionalisation in Europe	1,458	829	2,287	2,963
Deinstitutionalisation In LAC	1,997	511	2,508	2,228
Global Deinstitutionalisation	3	–	3	79
Global Training	1,005	191	1,196	1,703
Research	601	207	808	1,238
<b>Total</b>	<b>6,101</b>	<b>2,037</b>	<b>8,138</b>	<b>10,445</b>

## 6) Grants payable

	Grants to institutions 2020 Total £'000	Grants to institutions 2019 Total £'000
Catholic Relief Services	251	42
Norwegian Refugee Council	191	47
International Association of Women Judges	111	25
Save the Children Haiti	90	311
Innovative Humanitarian Solutions	47	79
Boston Children's Hospital	–	139
Stahili	–	63
Other	16	257
<b>Total</b>	<b>706</b>	<b>963</b>

Lumos made grants to Catholic Relief Services and International Association of Women Judges as part of the Building Enduring Systems to end Trafficking project in Haiti, which delivers transformative progress on ending human trafficking, with a focus on child trafficking.

The grants to Norwegian Refugee Council are for the implementation of a family-based care project in Ethiopia, Tigray refugee camps. Among the planned activities included: monitoring of foster placements, providing allowances to children in foster care, carrying out training on case management and camp-wide awareness raising on family-based care.

Lumos made grants to Save the Children to support Lumos Haiti's deinstitutional activities in Haiti.

## 7) Support costs

	Fundraising & Donor Communication (note 4) £'000	Charitable Activities (note 5) £'000	2020 Total Funds £'000	2019 Total Funds £'000
Admin, Legal and Compliance	115	284	399	564
Finance	54	349	403	618
Human Resources	30	392	422	696
Information Technology	17	169	186	208
Office Services	8	843	851	850
<b>Total</b>	<b>224</b>	<b>2,037</b>	<b>2,261</b>	<b>2,936</b>

The above costs have been apportioned between activities based on an estimate of time spent by staff on them. There was an overall reduction in support costs because of the impact of, and restrictions caused by, the COVID-19 pandemic on programmatic work.

## 8) Governance costs

	2020 £'000	2019 £'000
Legal and Professional fees	105	93
Other costs	5	1
<b>Total</b>	<b>110</b>	<b>94</b>

## 9) Net income for the year

Net income for the year is stated after charging:

	2020 £'000	2019 £'000
<b>Group Auditor's remuneration</b>		
Audit services – Group	19	20
Audit services – Friends of Lumos USA	3	2
Advisory services	19	12
Payroll and tax services	16	15
<b>Lumos USA Auditor's remuneration</b>		
Audit services – Lumos USA	9	16
Other services	1	3
<b>Depreciation of owned fixed assets</b>	221	223
<b>Operating lease rentals</b>		
Land and building	<b>276</b>	<b>263</b>

## 10) Staff costs and remuneration of key management personnel

The staff headcount numbers for the period are as follows:

	2020 No.	2019 No.
Management and administrative staff	34	40
Fundraising and donor communication staff	15	18
Programmes staff	93	91
<b>Total</b>	<b>142</b>	<b>149</b>

Staff costs relating to the above persons are as follows:

	2020 £'000	2019 £'000
Wages and salaries	5,182	5,484
Social security costs	632	718
Pension costs	241	244
	<b>6,055</b>	<b>6,446</b>
Agency staff	59	184
<b>Total</b>	<b>6,114</b>	<b>6,630</b>

### 10) Staff costs and remuneration of key management personnel (continued)

The number of employees whose emoluments during the year exceeded £60,000 were:

	2020 No.	2019 No.
£60,001–£70,000	6	3
£70,001–£80,000	3	3
£80,001–£90,000	3	1
£90,001–£100,000	1	2
£100,001–£110,000	1	3
£110,001–£120,000	2	–
£120,001–£130,000	–	1
£130,001–£140,000	–	1
£140,001–£150,000	1	–
£160,001–£170,000	–	1
£170,001–£180,000	1	1
£190,001–£200,000	1	–
£220,001–£230,000	1	–
<b>Total</b>	<b>20</b>	<b>16</b>

Pension costs totalling £139k (2019: £82k) were paid in respect of the above employees.

The key management personnel of the Lumos Foundation comprise the Trustees, the Chief Executive Officer and the Executive Team. The total employee remuneration (including benefits) of the key management personnel of the charity was £1,141k (2019: £1,096k).

During 2019, there was a planned expansion in senior staff operations in the United States where salaries and health care contributions are notably higher than in the UK, which was reflected in the 2020 results. During the year the Trustees decided to reduce the number of such staff as part of an organisational restructure and this will be reflected in the 2021 results.

During 2020, termination payments were paid of £250k (2019: £120k). There was an increase for 2020 because of the effects of the COVID-19 pandemic and as a result of the restructure, which reduced the number of US and UK senior staff.

### 11) Trustees expenses and remuneration

During the year, the charity reimbursed the Blair Partnership £89k (inclusive of VAT) for the cost of professional services incurred by the Charity but settled by the Blair Partnership. Neil Blair is the founding partner of the Blair Partnership. The amount was settled after the year end.

In 2020, Lumos Foundation received royalty income totalling £559,331 (2019: £142,464) from Pottermore, of which Neil Blair is a Director. £47,553 of this amount was outstanding at 31 December 2020 (2019: £33,357).

No Trustee, nor any persons connected with them, received any remuneration from the charitable company during the year (2019: £nil).

Expenses incurred by the Trustees and reimbursed by the charitable company amounted to £nil (2019: £95 related to one Trustee).

### 12) Taxation

Lumos Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

### 13) Tangible and intangible fixed assets of Charity and Group

	Intangible Fixed Assets	Tangible Fixed Assets				Tangible and Intangible Fixed Assets
	Software £'000	Land and Buildings £'000	Leasehold Improvements £'000	Furniture, Fittings and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>						
At 1 January 2020	231	862	376	399	47	1,915
Additions	–	–	–	–	–	–
Disposal	–	–	–	(3)	–	(3)
<b>At 31 December 2020</b>	<b>231</b>	<b>862</b>	<b>376</b>	<b>396</b>	<b>47</b>	<b>1,912</b>
<b>Depreciation</b>						
At 1 January 2020	81	58	144	237	33	553
Charge for the year	47	19	75	76	4	221
Disposal	–	–	–	(3)	–	(3)
<b>At 31 December 2020</b>	<b>128</b>	<b>77</b>	<b>219</b>	<b>310</b>	<b>37</b>	<b>771</b>
<b>Net book value</b>						
<b>At 31 December 2020</b>	<b>103</b>	<b>785</b>	<b>157</b>	<b>86</b>	<b>10</b>	<b>1,141</b>
At 31 December 2019	150	804	232	162	14	1,362

Lumos Foundation Land and Buildings represent six properties in Moldova, the construction of which was funded by Lumos to support the delivery of children's care services by local authorities there. It has always been the intention of the Trustees to transfer the assets to Moldovan authorities for the furtherance of the charity's objects, and to meet contractual commitments provided at the time of funding. The grant of properties is planned to take place in 2021 but had not happened at the time of the accounts being signed.

### 14) Investments of Charity and Group

	2020 £'000	2019 £'000
<b>Listed investments</b>		
Market value at 1 January	4,221	7,458
Additions at cost	463	228
Disposals proceeds	(2,943)	(4,086)
Net investment (losses)/gains	(301)	621
Market value at 31 December	1,440	4,221
Cash held by investment managers for reinvestment	96	55
<b>Total</b>	<b>1,536</b>	<b>4,276</b>

#### 14) Investments of Charity and Group (continued)

Listed investments held at 31 December 2020 were managed on behalf of Lumos by Close Brothers and comprised the following:

	2020 £'000	2019 £'000
UK fixed interest	726	998
UK equity	148	1,018
Overseas equity	422	1,738
Commodities	22	55
Property	19	68
Alternatives	103	344
<b>Market value at 31 December</b>	<b>1,440</b>	<b>4,221</b>
<b>Cost of listed investments at 31 December</b>	<b>1,296</b>	<b>3,194</b>

#### 15) Debtors

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Other debtors	114	114	101	101
Prepayments	87	87	109	109
Accrued royalty income	886	886	478	478
Other accrued income	1,602	1,446	1,246	1,208
<b>Total</b>	<b>2,689</b>	<b>2,533</b>	<b>1,934</b>	<b>1,896</b>

#### 16) Creditors: amounts falling due within one year

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Trade creditors	366	348	338	273
Taxation and social security	10	10	48	26
Accruals	424	284	401	401
Amounts due to subsidiary undertakings	—	1,546	—	797
Other creditors	486	459	356	356
<b>Total</b>	<b>1,286</b>	<b>2,647</b>	<b>1,143</b>	<b>1,853</b>

#### 17) Restricted funds

	At 1 Jan 2020 £'000	Income £'000	Expenditure £'000	At 31 Dec 2020 £'000
Trusts and foundations	28	438	264	202
Deinstitutionalisation in LAC	187	20	207	—
United States Agency for International Development (USAID)	—	846	846	—
Changing the Way We Care	—	195	195	—
Paycheck Protection Program (PPP)	—	138	138	—
Other	35	67	63	39
<b>Total</b>	<b>250</b>	<b>1,704</b>	<b>1,713</b>	<b>241</b>

	At 1 Jan 2019 £'000	Income £'000	Expenditure £'000	At 31 Dec 2019 £'000
Trusts and foundations	455	117	544	28
Deinstitutionalisation in LAC	775	—	588	187
United States Agency for International Development (USAID)	—	299	299	—
Changing the Way We Care	—	205	205	—
European Commission (EC)	5	59	64	—
Other	79	38	82	35
<b>Total</b>	<b>1,314</b>	<b>718</b>	<b>1,782</b>	<b>250</b>

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

Restricted funds are funds with specific restrictions imposed by donors. These restrictions often relate to a particular geographic region or area of technical expertise and sometimes include a deadline by which time the funds must be spent.

##### • United States Agency for International Development (USAID)

USAID grant to Lumos funds towards the Building Enduring Systems to end Trafficking project in Haiti, to deliver transformative progress on ending human trafficking, with a focus on child trafficking.

##### • Changing the Way We Care

CTWWC is a consortium of Catholic Relief Services, Lumos and Maestral International delivering a programme designed to move the needle on care reform through demonstration projects in three countries alongside global campaigning and advocacy.

### 18) Analysis of net assets between funds of Group and Charity

The net assets of the Group analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Tangible fixed assets	1,038	–	1,038	1,212
Intangible fixed assets	103	–	103	150
Investments	1,536	–	1,536	4,276
Current assets	5,099	241	5,340	7,006
Current liabilities	(1,286)	–	(1,286)	(1,143)
<b>Total</b>	<b>6,490</b>	<b>241</b>	<b>6,731</b>	<b>11,501</b>

Included within investments above are cumulative unrealised losses of £301k (2019: gains of £621k).

The net assets of the Charity analysed between funds are as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000	2019 Total Funds £'000
Tangible fixed assets	1,038	–	1,038	1,212
Intangible fixed assets	103	–	103	150
Investments	1,536	–	1,536	4,276
Current assets	4,851	226	5,077	6,154
Current liabilities	(2,647)	–	(2,647)	(1,853)
<b>Total</b>	<b>4,881</b>	<b>226</b>	<b>5,107</b>	<b>9,939</b>

### 19) Financial commitments

At 31 December 2020 the charitable company has total minimum lease commitments under non- cancellable leases as follows:

	Land and Buildings	
	2020 £'000	Restated 2019 £'000
Within one year	214	222
Between one and five years	858	857
Longer than five years	418	632
<b>Total</b>	<b>1,490</b>	<b>1,711</b>

### 20) Comparative Consolidated Statement of Activities and Movement of Funds

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total Funds £'000
<b>Income from:</b>				
Royalties	1	1,101	—	1,101
Donations and Gift Aid		6,925	10	6,935
Investment income		215	—	215
Other income		6	—	6
Charitable activities				
Grant income	2,17	767	708	1,475
<b>Total income</b>		<b>9,014</b>	<b>718</b>	<b>9,732</b>

#### Expenditure on:

Raising funds	4			
Raising funds and donor communication costs		2,262	—	2,262
Investment management costs		49	—	49
Charitable activities	5	8,663	1,782	10,445
<b>Total expenditure</b>		<b>10,974</b>	<b>1,782</b>	<b>12,756</b>
<b>Net expenditure</b>		<b>(1,960)</b>	<b>(1,064)</b>	<b>(3,024)</b>

#### Other recognised gains/(losses):

Net gain/(loss) on investments	14	621	—	621
Other recognised losses		(80)	—	(80)
<b>Net movement in funds</b>		<b>(1,419)</b>	<b>(1,064)</b>	<b>(2,483)</b>

#### Reconciliation of funds:

Total funds brought forward		12,670	1,314	13,984
<b>Total funds carried forward</b>	18	<b>11,251</b>	<b>250</b>	<b>11,501</b>

# Reference and administrative details

## **President of Lumos Foundation (UK) and Patron, Lumos Foundation USA Inc.**

J.K. Rowling

## **Trustees, Lumos Foundation (UK)**

A. Ahmed (resigned 24 March 2021)

N. Blair (Chair of Trustees)

D. Cohen

C. Copland

W. DiMichele (appointed 14 July 2020)

N. Gill (appointed 20 April 2020)

M. Lee-Izu (resigned 11 December 2020)

D. Moore

T. Motie

N. Pasricha (Treasurer) (appointed 8 April 2020)

R. Suss (resigned 16 February 2020)

## **Directors, Lumos Foundation USA Inc.**

B. DiMichele (Chair)

A. Christopoulos (Secretary, resigned 14 September 2020)

R. Singleton (Secretary, appointed 14 September 2020)

L. Little (Treasurer)

L. Robbins (appointed 5 March 2020)

## **Chief Executive Officer, Lumos Foundation (UK)**

G. Mulheir (on sabbatical from July 2019, resigned October 2020)

R. Singleton (from September 2019 to 23 June 2021)

P. McDermott (from 23 June 2021)

## **Company Secretary, Lumos Foundation (UK)**

N. Williams

## **Registered Office**

Lumos Foundation (UK)

Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

## **Lumos Foundation USA Inc.**

557 Broadway, New York NY 10012, USA

## **Friends of Lumos USA Ltd**

Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

## **Lumos Foundation Operations Ltd.**

Peninsular House, 30–36 Monument Street, London EC3R 8NB, UK

## **Lumos Foundation -UK Company registration number**

05611912 (England & Wales)

## **Lumos Foundation -UK Charity registration number**

1112575

## **US IRS reference number**

47-2301085

## **Friends of Lumos USA Ltd – UK Company registration number**

09502092 (England & Wales)

## **Friends of Lumos USA Ltd – UK Charity registration number**

1170023

## **Lumos Foundation Operations Ltd – UK Company registration number**

12369753 (England & Wales)

## **Auditor (UK)**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW, UK

## **Bankers (UK)**

HSBC Bank plc, The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ, UK

## **Solicitors (UK)**

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

## **Investment Managers (UK)**

Close Brothers, 10 Exchange Square, Primrose Street, London EC2A 2BY, UK

“DURING THE PANDEMIC,  
WE’VE BEEN ABLE  
TO SUPPORT REUNITED  
FAMILIES AND HELP  
STRENGTHEN THEIR  
ABILITY TO KEEP  
THEIR CHILDREN  
SAFE AND HAPPY.”

TESSICA, LUMOS HAITI

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to a safe and loving family



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