



# NSPCC

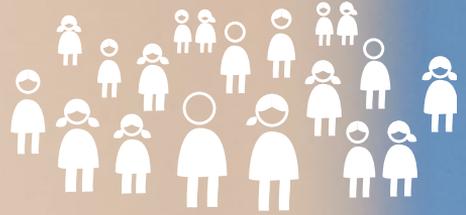
## **Annual Report and Accounts 2016/17**

HOW WE'RE ACHIEVING OUR GOALS  
AND REACHING MORE CHILDREN  
THAN EVER BEFORE

**EVERY CHILDHOOD IS WORTH FIGHTING FOR**

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**1,630,000**

the number of primary school children aged 4-11 years old we reached this year with assemblies on staying safe.

# Welcome

## from Chairman and CEO

This past year, after over 60 years of support, Her Majesty Queen Elizabeth II announced that she would be stepping down from her role as our Royal Patron. We pay tribute to the tremendous support that Her Majesty has provided children and young people over this period, and to wish her well for the future. Her Majesty first visited our offices in 1944, when she became our President. At the time she said,

**"I DO NOT THINK THERE IS ANY ORGANISATION WHICH PERFORMS A MORE VITAL SERVICE TO OUR COUNTRY'S WELFARE."**

Her Majesty's encouragement and support has been invaluable in our fight for every childhood.

We are delighted that Her Royal Highness, The Countess of Wessex, a long-time supporter of Childline, and our President since 2013, has succeeded Her Majesty as our Royal Patron. Her Royal Highness has been an active, involved and committed friend of the charity. We derive great benefit from our Royal Patronage, and we are hugely grateful to Her Royal Highness for taking on dual roles.

We would also like to express gratitude to our trustees and volunteers right across the organisation who donate their time, and to our talented and committed workforce, who strive to deliver positive outcomes for children right across the UK and Channel Islands. We seek to support and influence in all these distinct settings while sharing learning across borders wherever we can.

Our authority on child abuse and neglect is built on four important pillars: the fact that we represent many hundreds of thousands of supporters from all walks of life who are passionate about our cause; the expertise that underpins our research and policy work; the insight that comes from delivering services to some of the most vulnerable children and families in the country; and the unique access we have, including through Childline, to the perspectives of young people themselves. So when we speak, this authority helps us punch above our weight in terms

of our impact in the child protection landscape and the challenges that young people face.

The fundraising challenge is huge. We are very grateful to our donors who helped raise over £116 million over the course of the last year to help better protect and safeguard children. The challenge of ending cruelty to children is much greater still which is why we look to steward these funds with great care, driving out efficiencies where we can and amplifying our impact well beyond what we achieve directly ourselves. This is why the NSPCC works so hard to be a nationally significant voice for children, influencing law and child protection practice. However we are also relevant locally, in every community in the UK and Channel Islands. We are committed to visiting every primary school in the UK every three years, to provide a generation of young people with the knowledge and resilience to keep themselves safe. We provide many local sports clubs that people trust with the care of our young people at evenings and weekends, with the tools and advice to protect them. At Childline we offer someone to turn to for every child, whenever and however they want to contact us.

We remain as committed as ever to fighting for every childhood. Our mission will not be completed overnight. We have much work to do, that work is urgent, and we are grateful to everyone who is willing to support us and help to fund our efforts. We need that support to continue if we are to continue.

**We are making measurable progress. And with your support the NSPCC is able to improve the lives of children every day. We thank you for everything you do to help children, and we are looking forward to building on our progress next year.**



Chairman of the Trustees



Chief Executive

# Welcome

## from Young People's Advisory Board

As the Shadow Board of Trustees, we are young people who get to help the Trustees understand what children and young people think about NSPCC and the impact it makes.

We are really proud of what NSPCC has achieved over the last year. The number of children supported by NSPCC service centres and through Childline shows how important the need is. We know just how vital this support can be. NSPCC never gives up on young people and always gives you a voice. It gives you confidence and skills; many of us struggled to communicate with people before we were supported by NSPCC, but now we are giving our opinions to important people and helping reach out to other children.

We got to take part in Childline 30 celebrations throughout the year, and it really inspired us to be able to thank the counsellors and volunteers for everything they do. Meeting MP's in Parliament was a huge highlight, not least for selfies with Esther Rantzen. But telling MPs first hand about the impact Childline can make, the confidence we get and seeing so many MPs want to learn about Childline was incredible.

We are really proud of how often the NSPCC are in the media and helping young people tell their stories to increase awareness of the services they offer. We think this is really helping more people come forward with confidence.

Seeing so many people get behind things like the London Marathon and Little Stars, really inspired us. Being on Oxford Street for the switch on of the Christmas lights for the NSPCC, we saw so many families wanting to support the charity.

The new Childline website and app, For Me, is almost like the icing on the cake of a great year for NSPCC. Just the fact it makes contacting so much easier, the new website looks great and appeals to young people rather than something out of date.



We've also helped shape major campaigns like Share Aware, It's Time and Flaw in the Law. For Childline's Listen to your selfie we helped create the campaign so it makes it more relevant to young people. And we all adore Pantosaurus – the song is incredible! So simple and catchy it gets the message so clearly and makes a real difference to young children so they can understand hard messages in the right way.

All the time we spend with NSPCC it feels like young people are a real strong influence in everything they do. Children and young people's views and needs are really taken into account and it's something so special at NSPCC.

We want to make sure that every child who needs Childline is getting through, it's a real challenge and one we must rise to. We also want to make sure there are new ways of raising money and supporters really feel they know how well spent their money is.

**On behalf of all the young people that NSPCC supports, we want to thank all the supporters, volunteers and staff of the NSPCC family. You are changing young people's lives, thank you.**

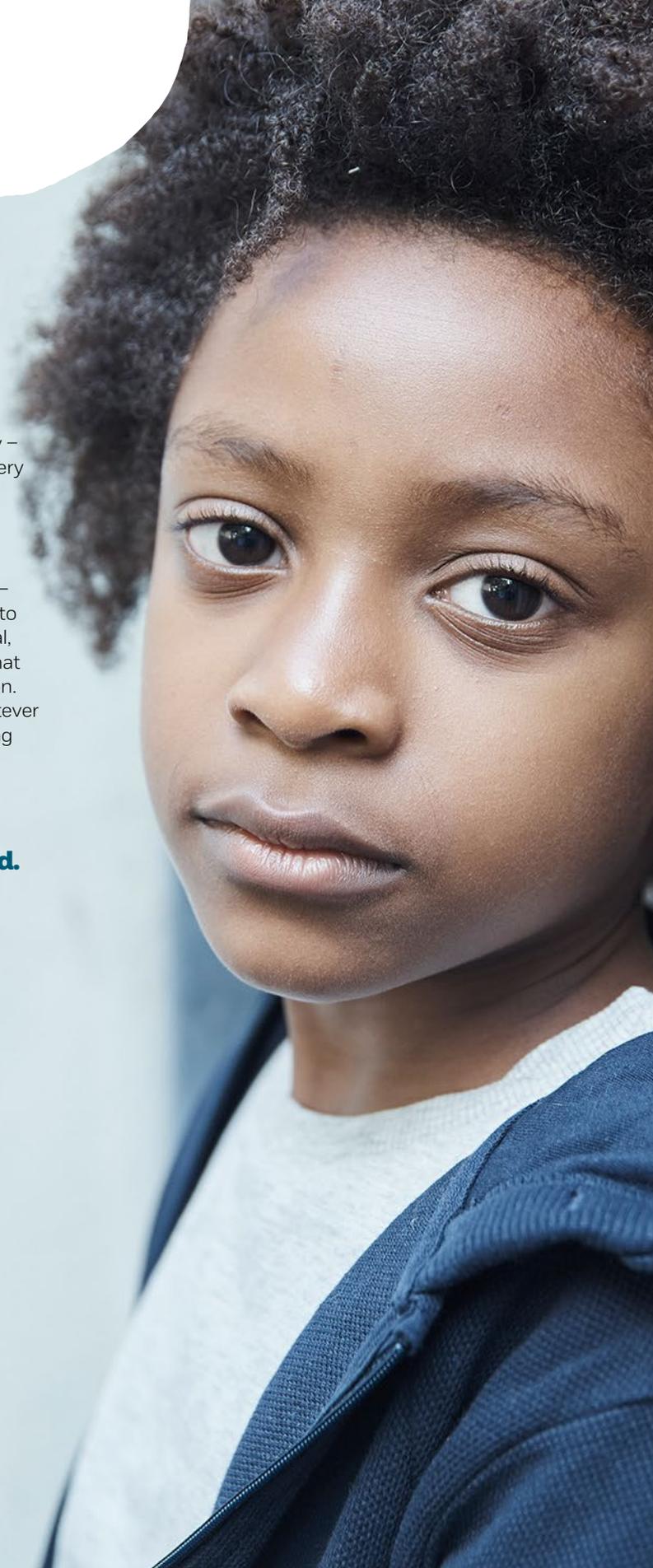
# What we do

## **We can all work together to make sure every childhood is free from abuse.**

Abuse changes childhood, but it can be prevented. That's why the NSPCC is here, that's what drives all our work, and that's why – as long as there's abuse – we will fight for every childhood. But we can't do it alone. We need everyone to do their part and join in the work to change childhood for the better.

Child abuse is any action by another person – adult or child – that causes significant harm to a child. It can be physical, sexual or emotional, but it's also about not providing the things that all children need – like love, care and attention. This is called neglect and we know that, whatever form it takes, neglect can be just as damaging to a child as other kinds of abuse because it deprives a child of what they need to build a strong and stable foundation for life.

## **But child abuse can be prevented.**



We all know that what surrounds us shapes our behaviour. This is true of abusers too – whose behaviour is shaped by the circumstances in which they live and by the experiences that they have had. There are certain things that make abuse more likely to happen. Severe, long-term problems weigh people down and can make it hard to cope with the challenges that life throws at them. Social isolation, drug or alcohol abuse, poor housing, too little money and mental ill health can overload a person's mental and emotional capacity to manage stress and care for children. And when people are under all this weight, one-off events – such as eviction or redundancy – can be too much and trigger problems. We know that, without support, parents under this weight may become more likely to neglect or abuse their children. That's not to say such problems inevitably lead to abuse, but that problems such as these do make it more likely.

The fact that what surrounds us shapes us also means that abuse and neglect can be prevented if we address the experiences that people have. For example, if we provide support that can offload sources of stress from overloaded parents and improve their capacity to care.

Abuse robs children of their childhood and derails their development. Instead of feeling unstoppable they can feel worthless and ashamed, frightened and alone. These feelings affect all aspects of the child's life and keep them from doing the things that children should be doing – for example, making friends, learning new things, exploring and playing. Abuse hurts. Without help, it can leave cracks that have life-long consequences affecting relationships, jobs and mental health.

But when everyone comes together we know that we can help get children back on track, for example through extra support at school, good foster care, or counselling.

### **Our strategy to keep 5 million children safer**

In April 2016 we launched our new strategy setting out what we would do over the next five years to bring us closer to ending cruelty to children.

Over these five years, our stated aim is to make 5 million children safer. We are now anticipating achieving this within the first three years of our strategy period due to the outstanding success of our *Speak out. Stay safe.* schools service. We have taken the service to over 1.6 million children over the past year, providing them with the tools to help keep both themselves and their peers, safer. We have received fantastic feedback on the

service from teachers, parents and carers, and local safeguarding boards, and we are very proud to have reached so many schools and so many young people ahead of our targets, thanks to our committed volunteers delivering the service across the UK and Channel Islands.

We said we would achieve our strategy by working towards five goals which we'll measure to ensure we're making real progress:

1. **PREVENT CHILD ABUSE IN FAMILIES FACING ADVERSITY.**
2. **PREVENT CHILD SEXUAL ABUSE.**
3. **HELP CHILDREN SPEAK OUT AND ADULTS TAKE ACTION ABOUT ABUSE.**
4. **HELP ABUSED CHILDREN GET BACK ON TRACK.**
5. **MAKE CHILDREN SAFE FROM ABUSE ONLINE.**

By concentrating all our work on these five goals – goals focused directly on improving the lives of children at risk of abuse and neglect – we want to achieve greater impact and inspire others to join us in our fight for childhood.

We measure our progress on a quarterly basis against all the areas we are seeking to progress to deliver our goals for young people.

### **But we can't do this alone...**

The NSPCC cannot do this alone – and we want to motivate thousands more people to join us. Together we have changed laws. We've changed attitudes in society. We've helped children rebuild their lives. We've helped parents keep their children safe. And we know we can do even more.

Over the following pages we have outlined what we, and those we work with, have achieved for children over the last year. We're proud of what we have done and how we have been there for children across the country.

But we continue to strive to do even more and this report also points to the future. We plan to build on the successes of the last year and, over next four years of our strategy, and beyond, push forward to achieve our ambition of ending cruelty to children.

# 5 goals for 5 years to make 5 million children safer



## Prevent child abuse in families facing adversity

### We'll know we're making progress if:

- more families facing domestic abuse, parental substance misuse or parental mental health problems get early help from the NSPCC to prevent child abuse and neglect
- more families facing adversity receive NSPCC-evaluated services to prevent child abuse and neglect
- systems change in the prevention of child abuse and neglect in families facing adversity
- people who work with children in families facing adversity are more confident in preventing child abuse and neglect.



## Prevent child sexual abuse

### We'll know we're making progress if:

- more support is available to prevent harmful sexual behaviours and sexual offending
- there's increased evidence of 'what works' in preventing child sexual abuse
- people who work with children are more confident in preventing child sexual abuse
- there's increased public belief that child sexual abuse can be prevented.



## Help children speak out and adults take action about abuse

### We'll know we're making progress if:

- we deliver more Childline counselling sessions
- we answer more NSPCC helpline contacts
- more children understand about abuse and know who to turn to for help
- there's increased confidence in identifying risks and responding to abuse and neglect among parents and people who work with children.

4

## Help abused children get back on track

### We'll know we're making progress if:

- more help is available for children who have been abused or neglected to get back on track
- improvements are made to the justice system so it better meets the needs of children who have been abused or neglected
- there is an increased evidence base of 'what works' in getting children back on track after abuse or neglect.

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## Make children safe from abuse online

### We'll know we're making progress if:

- more communications providers demonstrate best practice in relation to child safety online
- more children know how to keep themselves safe online
- more adults know how to keep children safe online.



# Goal 1

## Prevent child abuse in families facing adversity

**When parents are overloaded with problems such as money, alcohol or drug addiction, or mental illness, it's difficult for them to give their children the best start in life.**

These problems create significant risks for all forms of child abuse and neglect – and the more of them that are present in a family, the greater the risk to the child.

That's why we are focussing on making sure that abuse can be prevented even in the face of real adversity. We know that abuse can be prevented with the right support, so we will provide this support directly to mums, dads and carers. We'll also work hand-in-hand with local partners to create change across the whole system.

**This year we have focussed our work in four critical areas to help parents facing domestic abuse, parental alcohol and substance misuse or parental mental health problems:**

### 1 Ensure more families get help early from NSPCC

We know that if we can get support to families at an early stage this can help to prevent abuse, so we deliver services directly to children and families. This year we have continued to test and develop services from our previous strategy, as well as developing some new ones.

#### **Helping young mums deal with the challenges of parenthood**

Young mums can sometimes feel overwhelmed by the challenges of becoming a parent. It's important for them to build a positive relationship with their baby early on. Helping mothers understand their child's needs and development is one of the ways to give babies the best possible chance in life.

Through our service, Minding the Baby, practitioners visit young mums at home once a week from pregnancy until the baby is two years old. The practitioners provide practical support like feeding tips, help with housing or financial advice. They also help mums who are struggling emotionally, perhaps because they have experienced abuse or neglect themselves, to help them become the parents they want to be for their child.





We have been running Minding the Baby successfully since our previous strategy and this year we have started to develop ideas for how we can adapt the service to enable it to reach more families and be more sustainable. We will develop these ideas further next year.

### **Helping families to live with the effects of domestic abuse**

Some families decide to stay together after domestic abuse. Living with domestic abuse can have a significant impact on a child's development, health and well-being. It can also damage the relationship that the child has with their parents. Parents who are experiencing domestic abuse may struggle to meet their child's needs.

They may also underestimate the impact of domestic abuse on their children. That's why we've developed our new service, Steps to Safety. It focuses on mood management to help adults manage and change their behaviour. Parents attend 26 weekly sessions where they learn to control emotions, improve relationships and reduce conflict. We have launched the innovative service in Belfast, Southampton and Swansea and will be looking closely at how the service runs in practice over the next year.

### **Being there for parents to be deal with anxiety and depression**

Both men and women can experience anxiety or depression during pregnancy or after the birth of their baby – and this can have an impact on babies' health, well-being and how they grow up.

We know there are not many services for families in this position. That's why we are testing Pregnancy in Mind, a four-week group work programme for parents during the middle trimester of pregnancy.

Through personalised, bespoke sessions, the service aims to improve parents' wellbeing, help protect them against future anxiety and depression and build their capacity to provide sensitive, responsive care for their babies.

Initial testing found Pregnancy in Mind was successful in reducing anxiety and depression in pregnant mothers and had been well received by both users and staff. We are now focussing on setting up post-natal peer support groups for the first year following birth in order to ensure that these improvements last longer during this crucial period.

**2****More families receive NSPCC-evaluated services to prevent child abuse and neglect**

We know we can have a much larger impact on reducing abuse and neglect by working closely with our professional partners and sharing with each other what we have learned about what works.

In the last five years we have developed and tested services which we proved help families. We are now training others to deliver these services, benefitting even more children and families.

**Helping practitioners to evaluate families' strengths and identify neglect**

We are continuing to train others to use our evidence-based tool for practitioners to evaluate family strengths and weaknesses which can help identify neglect, Graded Care Profile 2. Identifying abuse and neglect in a timely way is the first step to putting in support to prevent abuse happening again.

Over the last two years we have shared this approach with 36 Local Authorities across the UK, allowing us to help many more children than we could working alone.

**Building parents' skills and confidence**

We have been training others to deliver our award-winning programme, Baby Steps, which is a group programme that begins in pregnancy and helps build parents' skills and confidence.

Evaluation of the service has shown that it helped parents improve the quality of their relationship with their babies, with less likelihood of developing postnatal depression. So we want to train up even more people to deliver this. We have been learning about successful implementation and now have a marketing plan for 2017/18. We also already have expressions of interest from three new sites.



**Parents can attend 26 weekly sessions where they learn to control emotions, improve relationships and reduce conflict.**

**3****Implement systems change in the prevention of child abuse and neglect**

To create long lasting change for children we need to change the whole system of support around families to ensure that those facing these issues get the help they need at an early stage. We are testing different ways of achieving this in practice.

**Working together for childhoods at a local level**

Through Together for Childhood, we are developing a new approach to changing the systems that prevent child abuse and neglect. It is an innovative place-based approach to prevention, which addresses problems at a local level in a truly integrated way, engaging communities, families, professionals and services.

Through local partnerships between statutory agencies, local communities, the voluntary sector and the NSPCC, we will design and deliver a range of services and activities that tackle abuse and neglect at the earliest stage and, where possible, stop harm to children before it starts – and we will be testing this approach over the next five to ten years.

These could include public awareness campaigns, engagement with communities to protect children, work with schools on early identification and support, helping children's healthy relationships, and direct services for children, young people and families.

Not all of these activities will be delivered by us – many of them will be delivered by our partners – and our focus will always be on having the most impact for children. We have spent this year building up partnerships and getting a shared sense of what we want to achieve. Over the next couple of years we will be translating these ambitions into action, and once the new activity is embedded we will be evaluating the impact the new approach is having on children in the area.



## Working in Wales to improve prevention

The NSPCC in Wales has been at the centre of an Adverse Childhood Experience (ACE) research informed project to develop work in prevention and early intervention. We have been a key partner to the Police Innovation funded project 'Early Intervention and Prevention: breaking the generational cycle of crime'.

Working with South Wales Police, the Police and Crime Commissioner South Wales, Public Health Wales, Barnardo's and Bridgend County Borough Council we have helped develop an ACE informed approach to policing vulnerability.

The project is testing new approaches to training police officers and responding to early intervention demand with partner agencies. It also aims to ensure that families in need are responded to at an early stage, and to reduce the impact of adversity that children face.

Last year was Alan Peterson's first as Chairman of the Wales Appeal Board. Its fundraising activities have been hugely successful in raising the profile of NSPCC Cymru and bringing a huge variety of new supporters to the NSPCC family, from sporting celebrities to corporate partners. Alan has also helped us overcome challenges by securing the Welsh Six Nations rugby squad to deliver a Speak Out: Stay Safe assembly to a Welsh-speaking primary school, which was featured on local television and helped to recruit more Welsh-speaking volunteers.



This year marked the tenth year of Diane Engelhardt's phenomenal support, who through her 'Moondance Foundation' has donated over £5 million to NSPCC Cymru. Her generosity established Diane Engelhardt House, the NSPCC headquarters for Wales. She was also awarded an OBE in 2016 in recognition of her support for the NSPCC and many other charities. We remain incredibly grateful for her ongoing support.





### **Giving families a better start**

Through Blackpool Better Start we are continuing to change the system of support for pregnant mothers and parents with babies in Blackpool. The service has achieved recognition internationally, nationally and locally for its innovative approach – helped by our partnerships across the globe – and we have been invited to New York, Hong Kong and Prague to share our work.

Some key developments in Blackpool have included an 18-month review and consultation on a new Health Visiting offer which means from April 2017 the mandatory visits will increase from five to eight, so parents with young babies get more support from a trained professional.

Listening to the local community is at the heart of the work of Better Start and working with local parents to deliver services which meet their needs is essential. Over 1,000 consultations with local families have taken place which has led to two new ‘early years’ parks being opened in the town and three Early Years Park Rangers being employed.

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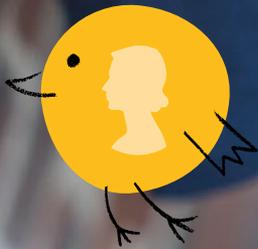
### **People who work with children are more confident in preventing child abuse and neglect**

It is critical that people who work with children and families are more confident in dealing with challenges that can arise at an early stage, to prevent a break down in care later. This year we have been working with professionals across the UK to help build their confidence.

### **Creating a national network to improve perinatal mental health provision in Scotland**

A major success of the year was the announcement by the Scottish Government that it will establish a National Managed Clinical Network for Perinatal and Infant Mental Health. The Network will provide the national coordination and leadership needed to drive local service development and address the very poor level of provision by health boards for perinatal mental health.

The creation of the network was the main recommendation of NSPCC Scotland research published in 2015 (Getting it right for mothers and babies) in partnership with Maternal Mental Health Scotland. This mapped the gaps in provision across Scotland, highlighted the failure of health boards to implement agreed clinical guidelines, and presented clear evidence that generic adult mental health services were not meeting needs. It will help to improve the practice of those who work with families during the critical period around pregnancy and birth, ensuring that more children in Scotland get the best start in life.



One pound in every five  
we receive comes from  
gifts in wills – almost

**£25 million**

in 2016/2017

# Goal 2

## Prevent child sexual abuse

**Despite growing public awareness of child sexual abuse, not enough is being done to prevent it – stepping in after it has happened is too often seen as the only option. Yet the impact on victims is often significant and long term.**

Therefore, we are focussing on developing practical, concrete approaches to prevent sexual abuse.

This year we focussed on two key areas:

### 1 **More support is available to prevent harmful sexual behaviours and sexual offending**

We have a responsibility to ensure that there are programmes and approaches in place to prevent those who pose a risk from going on to abuse children. We deliver some programmes ourselves as well as sharing our approaches with others.

Delivering our programmes wouldn't be possible without the kind supporters who choose to remember the NSPCC in their will to protect future generations. In fact, one pound in every five we receive comes from gifts in wills – almost £25 million in 2016/17. We are very grateful to everyone who chooses to support us in this way, these gifts mean that no matter what challenges the future holds, we can be there for children.

#### **Helping young people turn the page**

Turn the Page continues to help young people who display harmful sexual behaviour change their behaviours by identifying and managing their thoughts, emotions and actions.

We have published the evaluations of the service which contained positive results and recommendations for further improvements to what the service offers and have incorporated this into the service so what we provide is more holistic.

Turn the Page has been recognised as one of just a handful of interventions recommended by the NICE Harmful Sexual Behaviour guidelines in England and Wales.

In February, the Garfield Weston Foundation generously granted

**£250,000**

towards our Turn the Page service. The Trustees felt that “the focus of this work is a delicate and difficult subject but one that is important to address.”

## Creating a Framework to help local areas improve their services

NSPCC and Research in Practice have led and coordinated work to help local areas develop and improve responses to harmful sexual behaviour through the development of a Framework.

The Framework helps local areas improve their services and covers the essential elements of developing and delivering an integrated and effective harmful sexual behaviour service for children, young people and their families. It also had input from a range of service delivery organisations (including the Lucy Faithful Foundation and Barnardo's) and a wide group of experts in the field.

We've been delighted by the interest in the programme. Eight local areas agreed to test and help further develop the framework in 2015/16 and, following this pilot, 10 further local authorities applied to be early adopters. We await news on their results, and in the meantime, there has been a lot of wider interest – the Framework has had over 1,500 downloads so far.

**"THE FRAMEWORK HAS ENABLED THOUGHT TO BE GIVEN TO WHAT A COMPREHENSIVE APPROACH TO HARMFUL SEXUAL BEHAVIOUR SHOULD LOOK LIKE AND THE IMPORTANCE BEING PLACED ON EARLY IDENTIFICATION AND INTERVENTION."**

Waltham Forest local area lead



## 2 Increased public belief that child sexual abuse can be prevented

We know that sexual abuse is preventable. All our work tells us that it is. However, we also know that currently, many people do not share this view. We are working extremely hard to increase public belief that sexual abuse can be prevented by providing tangible and practical examples of what can be done and how, by working together, we can change children's lives.

We've seen some positive progress this year – 45 per cent (our target was 41 per cent) of people responding to our survey now say that they think abuse can be prevented. We will continue to make the case to people that this can be achieved.

In February we released a new animation that explores the simple steps we can all take to make children safer. These include ensuring any babysitters have trusted references, checking that schools and clubs have robust safeguarding policies and procedures, checking in on unsupervised areas where children might gather, and ensuring that there is appropriate supervision when children are using the internet.

We have also been building on the success of our award-winning Talk PANTS campaign – which encourages parents to have simple conversations that help keep children safe from sexual abuse, without using scary words or even mentioning sex.



We launched a brand new song and animated film featuring Pantosaurus, a loveable pant-wearing dinosaur. The character has been designed to make it even easier for parents to share our PANTS messaging and start a conversation with their children about staying safe. We promoted the song across cinema, online and social media and together our advert and song were viewed over eight million times during the five week campaign. The song also won gold at the British Arrows Craft 2016 awards for Best Original Composition.

### Case study:

Gemma and Sam's story\*

#### How talking PANTS gave Gemma the courage to tell her Mum she had been abused

When Gemma was nine, Samantha read information about the 'PANTS' rule on the NSPCC website and decided to go through it with her daughter one evening. Samantha was horrified when Gemma disclosed during their discussion that her father had sexually abused her.

She recalled: "I tried to hold myself together in that moment and remain calm so that she felt safe. I just listened. I held my daughter tight and got her to bed before contacting the police and reporting the abuse. The following day the police came round to talk to Gemma. She was nervous but the police were approachable and established a rapport with her, which was important."

Samantha has shared her story to emphasise to other parents just how important the PANTS rule is and why they should discuss it with their children.

She said:

"MY ADVICE TO PARENTS IS TO USE THE PANTS RULE AS EARLY AS POSSIBLE. I WISH I'D USED IT SOONER. IT'S CHILD FRIENDLY AND USES AGE APPROPRIATE LANGUAGE.

"IF THERE IS A DISCLOSURE, I WOULD SAY TO PARENTS, JUST LISTEN TO YOUR CHILD AND SUPPORT THEM. TELL THEM THEY ARE BRAVE AND THAT YOU'LL DO SOMETHING ABOUT WHAT THEY'VE TOLD YOU."

\* all names have been changed to protect identities



# Goal 3

## Help children speak out and adults take action about abuse

**Often children may not recognise that they are experiencing abuse, or may be afraid to speak out about it. Sometimes even when they do attempt to tell someone about what they are experiencing, they are often not 'heard' or what's happened is not recognised as abuse.**

We are helping children and adults to spot and speak out about abuse and supporting adults to take action to protect children.

This year we have focussed on our four key areas we want to change to help give children and adults a voice:

### 1 More children understand about abuse and know who to turn to for help

We need to ensure that all children understand what abuse is, that it is never their fault, and that they have somewhere to go for help. We are working hard to reach as many children as possible with these messages, with a huge amount of help from our partners and supporters.

#### **Teaching over 1.6 million primary school children how to speak out and stay safe**

This year we reached an incredible 1,630,000 primary school children aged 4-11 years old with assemblies on staying safe, and had more in-depth workshops with children aged 9-11. This was done through our new *Speak out. Stay safe.* programme, which launched in April 2016.

It teaches children in an age appropriate way how to recognise abuse and who to go to for help. The newly branded programme extended our service from just years 5 and 6 (years 6 and 7 in Northern Ireland and Scotland) to all primary school children to include a larger age range. The service aims to visit each school once every three years.

remember  
childline  
here



We continue to receive incredible support from Jonathan and Caroline Sorrell, whose commitment to the Schools Service enables us to deliver the programme across Kent and North London.

### **Keeping children safe in Northern Ireland**

We want to understand the best way of working with schools to ensure they teach every child about staying safe. We are testing the Keeping Safe programme, developed in partnership with the Department of Education Northern Ireland which aims to teach every primary school child (4-11 year olds) age appropriate messages to keep them safe from bullying, neglect, physical, emotional, sexual, and domestic abuse.

The programme is being piloted in 72 primary schools, including five special schools, across Northern Ireland between September 2016 and June 2018. The results will help us understand how we can improve our work with schools across the wider UK, ensuring that we are doing the best we can to help schools be a place where children can feel safe and come forward to a trusted adult if they are worried about abuse or neglect.

### **Making PSHE/RSE mandatory for school children**

The Government has formally announced that it will be making Relationships and Sex Education (RSE) mandatory in all schools in England including primaries, academies and independents. This has been a long standing policy ask for the NSPCC and represents an important step towards our aim of ensuring that children can recognise abuse and know who to turn to.

We have been lobbying intensely on this along with a coalition of charities including Stonewall, Plan UK, Girlguiding, Terrence Higgins Trust and Barnardo's. Schools are not mandated to teach PSHE/RSE in Wales, however the Government are undertaking a significant programme of work around violence against women and healthy relationships. It is not yet mandatory in Scotland, however a review is expected imminently.

### **Star power helping us reach even more children and young people**

Our celebrity supporters are helping us to reach many more children and helping them to speak up about what is worrying them. Last year we announced singer and TV star Cheryl as our new Childline Campaigner. We are particularly proud of this partnership because Cheryl gives us huge reach amongst a teenage audience we need to connect and engage with.



.....  
Speaking about her new role, Cheryl said:

**"LIFE CAN BE HARD SOMETIMES, ESPECIALLY WHILST YOU'RE GROWING UP, AND EVERYONE DESERVES SOMEONE TO TALK TO AND HELP MAKE SENSE OF IT ALL.**

**THAT IS EXACTLY WHAT CHIDLIN IS THERE TO DO; JUST LISTEN AND HELP. NO YOUNG PERSON SHOULD EVER FEEL AFRAID, CONFUSED OR ALONE SO IF THAT'S HOW YOU ARE FEELING THEN PLEASE GET IN TOUCH WITH THEM BY PHONE OR ONLINE."**

.....



**Case study:  
Credit Suisse is helping  
children speak out and  
stay safe**

We were Credit Suisse's UK Charity of the Year Partner in 2016. The partnership raised over £760,000 predominantly through employee fundraising. The funds raised supported the NSPCC's work in schools, with children, their teachers and parents, ensuring that a generation of children have the knowledge and tools they need to speak out and stay safe in all areas of their life.

The money raised from the partnership has allowed the NSPCC to reach over 130,000 children with assemblies on staying safe. This has helped to fund and deliver our brochure which lets schools know the various ways NSPCC can support them, and further our partnership with the PSHE Association to begin to develop a suite of lesson plans with content on staying safe.



**Wayne Rooney continues his vital role as our inaugural  
Ambassador for Childhood**

Wayne has been encouraging children to speak out and adults to take action. In the six months following the release of an animated film targeting boys and featuring Wayne, there was an increase of 7 percentage points in the proportion of boys saying they would be likely to contact Childline if they needed to. This is the equivalent of around 170,000 more boys saying they would definitely or probably contact us.

We built on this later in the year with our two-week Childline campaign based around a short film called 'Things Guys Don't Talk About' which encouraged young males to open up about their feelings before reaching a crisis point or contemplating suicide by showing them there's always someone they can talk to. This is the first time we have had a campaign dedicated to supporting boys and young men and we will be monitoring it closely.

## We deliver more Childline counselling sessions

We continue to make sure that Childline is there for children whenever they need it, at any time of day or night. Last year we held over 295,000 counselling sessions with children.

### Childhood Champions

We held a celebration of our fantastic volunteers at the Childhood Champion awards, our first-ever national volunteer awards ceremony at Bank of America Hall in the City of London, in July. On the day, 73 regional award winners were presented with their awards, along with an overall winner for each of the 12 award categories, which include Schools Volunteer, Childline Volunteer, Corporate Partner Volunteer and Outstanding Achievement.

Sarah Paterson received the Outstanding Volunteer of the Year Award. The optician consultant has been volunteering for three years and travels by train for more than four hours to fulfil her weekly Childline role.

### Celebrating 30 years of Childline

2016 was a big year marking 30 years of Childline. During the calendar year, not only did our amazing supporters and volunteers help us celebrate Childline's 30th birthday and raise awareness of the life-changing service, they also helped us bank a massive £14.7 million to help give young people a voice.

Throughout the year we held celebratory events across the country like our Birmingham Laughter Ball, Childline's Merry Little Christmas, and the Great British Bake Off Themed Childline Ball – which raised a total of £825,000. Celebrity supporters and widespread media coverage – including three features on BBC's The One Show – spread awareness about Childline.

### There for young people, online and on the phone

The Childline website continues to be immensely popular – we had over 2,328,000 visitors last year. To make sure we kept pace with the changing online world and be there for as many children as possible in a digital age this year we launched our new Childline website.

We were given tremendous support on this project by David and Rose Heyman, who underwrote the funding of the project and galvanised their network to support this ground-breaking digital service for children.

It means we can provide the help young people need, in the way they want it. The new and improved site is a comprehensive online service, there to help young people whatever their worries. It has a huge range of self-help content, including editorial, games, drawing tools, emoticons, online message board communities, videos and resources.

We developed children's private, customisable, online 'lockers', so that children can curate their own safe space online. We imagined and built tools like the 'mood tracker' so children can keep track of their feelings and share this with their counsellor as part of their support journey. We have made it more intuitive and more efficient to take part in a counselling session via online chat. And we worked with children every step of the way to ensure that the service we built was just right for the people who are going to use it.

### What young people have told us about the Childline site:

"THIS PAGE WAS INCREDIBLY EYE-OPENING AS I HAVE BEEN WORRYING ABOUT HOW TO KEEP MY VISITS TO THIS WEBSITE PRIVATE."

"THIS PAGE WAS VERY USEFUL BECAUSE I GOT TO TELL MY FEELINGS TO THE LOCKER AND IT DIDN'T SEND THEM ANYWHERE. IT JUST MADE ME FEEL LIKE BECAUSE I'VE LET THEM OUT, I AM FREE."

"I LOVE THE WAY YOU HAVE DIFFERENT SECTIONS, WHICH MAKES IT EASIER TO FIND YOUR WAY AROUND THE WEBSITE."



### Case study: marathon

This year 794 of our supporters raised £2 million by running in the Virgin Money London Marathon, helped by a 484 volunteers cheering them on. In total our supporters ran 20,802 miles! This included seven incredible young people, all of whom have used the Childline service in some way. They ran the Marathon in support of us, fulfilling an ambition not only to compete in this iconic race, but to raise money so that we can continue to help young people like them.

One of the young people, 22 year old Rosey, said 'When I was first asked to take part in the London Marathon, I was absolutely petrified and thought there would be no way I could complete such a challenge. I realised that in fact I could do this, as I wouldn't be doing it alone, but with a team beside me and people cheering me on all the way through training and on the day. As cheesy as it sounds, running the marathon is such an amazing image of how Childline supports children and young people, as it's not one smooth road, but one with many obstacles and hurdles to overcome. It may seem daunting and scary, but there is always that glimmer of hope, that finishing line in sight, and however long it takes, it will be a massive personal achievement as well as raising awareness for Childline.'

### Case study:

#### Scotmid – helping to give more young people a voice

Scotmid Co-operative has launched a partnership with Childline this year to raise money for the vital service. With Scotmid also promoting ways staff and customers can volunteer for Childline, we hope the partnership will lead to more volunteers to help counsel children on a range of problems.

Malcolm Brown, Head of Corporate Communications for Scotmid Co-operative said: "Childline's vital work is already resonating with our staff and customers. We hope to raise £300,000 to fund 75,000 contacts with Childline, helping them with their aim to be there for every young person and every childhood. This is set to be another exceptional charity partner for the Scotmid family."



## Vital and continued support from governments

We have also been pleased by the positive response from governments to supporting Childline. The Department of Education has been a longstanding supporter of both Childline and the NSPCC helpline and this year saw a new £8 million four year agreement.

This is a huge achievement as it guarantees the Department's continued support for both services until 2020. Alongside this we have received £100,000 of funding from the Welsh Government for Childline Wales, and £266,000 from the Department for Education Northern Ireland (DENI) for Childline Foyle. Childline Belfast has received £47,000 from the Department for Health, Social Services and Public Safety (DHSSPS) in Northern Ireland. The Scottish Government continues to invest and in this financial year has invested £198,000 with the potential for another two years funding to support Childline.

## 3 We answer more NSPCC helpline contacts

Our helpline is there for adults who need advice on how to keep children safe and this year we answered our highest ever number of contacts from concerned adults, over 66,000.

We have been able to provide localised support from our helpline too: working closely with Plymouth Children's Services so that we can now provide signposting to local services within the Plymouth area in addition to the regular support and advice that we provide.

### Responding to concerns about specific topics and issues

We also continue to run helplines in response to particular topics and issues, providing advice, support and signposting to members of the public and professionals concerned about female genital mutilation, as well as whistleblowing for professionals in social care.

We also launched the Radicalisation Helpline after a spate of terrorist attacks which highlighted the growing problem of individuals being influenced by extremism. The NSPCC started receiving calls from adults worried about the problem, which prompted the helpline to offer advice and help.

The service provides the first national point of support to parents who might be concerned that their child is being radicalised or who need advice on how to talk to them about wider concerns related to the impact of terrorism.

Previously, the only route for adults to raise their worries about radicalisation and terrorism was through government agencies including MI5 and police anti-terror hotlines. Now they can call an independent helpline to talk about wide-ranging worries their children might have about terrorist groups and radicalisation. The helpline also offers support to parents and other adults concerned about a young person who may be involved, or affected by gang violence.

## 4 There's increased confidence in identifying risks and responding to abuse and neglect among parents and people who work with children

We know that we need to all work together to keep children safe and this means we must encourage adults to take action in response to abuse and neglect so that they can respond effectively when a child is brave enough to speak out, and are able to recognise and respond to risky situations where a child has not yet asked for help.

### Increasing our engagement with professionals

We work with a range of professionals to support them to keep children safe. This year we engaged with over 1,500 organisations to improve their safeguarding, 81per cent above our target. This increase was largely due to organisations requesting NSPCC publications and safeguarding materials.

### Helping keep children in sport safe

Following the revelations about historic abuse in football in November the NSPCC and Football Association launched a dedicated helpline to respond to those with historic or current concerns. Initial demand to the helpline has been high, exceeding those seen by other commissioned helplines including Operation Yewtree which was launched in the wake of the Jimmy Savile case.

This year we engaged with  
**over 1,500 organisations**  
to improve their safeguarding,



**81% above our target!**

We continue to run the Child Protection in Sport Unit, which works with others to build the capacity of sports to safeguard children and young people and to enable sports organisations to lead the way in keeping children safe from harm.

The Unit has been working closely with the Football Association to undertake a review of their systems and their case management systems. 2016/17 saw the Unit receive the **UNICEF Safeguarding in Sport Award** at the Beyond Sport Summit to recognise its pioneering work over 15 years in the UK working in partnership with sport and statutory agencies to safeguard children in and through sport.

#### **Making sure adults are trusted to lead**

In January we launched our Trust to Lead campaign in response to the cases of abuse in sport which emerged before Christmas. At present, whilst it's unlawful for certain professionals such as teachers and social workers to have sex with 16 and 17 year olds in their care, this doesn't apply to sports coaches or other youth workers. We are calling for legislative change to extend the roles covered under 'positions of trust' to ensure that children are kept safe from adults looking to abuse their influence. We are also calling on the Government to reinstate the requirement for those who work regularly with children to be subject to the fullest and most comprehensive background checks.

We have strong backing for these changes, with many organisations backing our calls. These include Sport England, the Football Association as well as numerous umbrella bodies with more organisations interested in joining. We will continue to press to achieve our ambitions in the coming year.

#### **Campaigning across the four nations to keep children safe**

We have been working in communities across England and Northern Ireland delivering campaigns. This has included the 'It's Not OK' campaign in York, which aimed to raise awareness of child sexual abuse and child sexual exploitation with a range of audiences: children and young people, parents, public, and professionals, and which has been delivered in partnership with the City of York and the local York Safeguarding Children Board. The campaign was described as "outstanding" by Ofsted.

A key element in the campaign was the drama and interactive workshop that we developed in partnership with the drama department at York St John University and delivered to all secondary schools in York. The play was also performed at our How safe are our children? conference and, as a result of the fantastic reception it received, they were commissioned to tour secondary schools across south Wales.





# Goal 4

## Help children who've been abused get back on track

**Research clearly shows that abuse and neglect can derail a child's development. Without help, the damage can last long into adult life, affecting relationships, learning and wellbeing. The good news is we know that providing support works.**

That means working together. As a society we all have a responsibility to help children who have been abused get back on track.

Child abuse is higher on the political and public agenda than it has been for some time, yet many children who have been abused cannot access the most basic support. Through our campaigning, and by providing more effective services, we are changing that.

**This year we focussed on two key changes we wanted to achieve for children:**

### 1 **More help is available to children who have been abused to get back on track**

9 in 10 professionals in our survey last year said that there were not enough services available for abused children in their area. It is critical that children have the support they need to get back on track after abuse.

#### **Telling the government It's Time to improve support for children**

Our It's Time campaign, calling for better support for children who have been abused, continues to have success. Young campaigners handed our petition to 10 Downing Street, signed by over 31,500 supporters, before meeting MPs to tell them why mental health support is so important after abuse.

Following our campaigning the Government agreed to pilot mental health assessments for children in care across 8-10 areas, which started in spring 2017 and incorporated mental health into corporate parenting principles. We are really excited by the improved focus on assessing the mental health of children in care as this is the first step to ensuring better provision.

Children and young people are at the heart of the It's Time campaign. We supported a group of young people who helped us set up the campaign and spoke at a parliamentary Select Committee on the mental health of children in care, as well as many other activities.

The group reflected on their achievements and what they had gained from the experience:

"I FELT EMPOWERED BEING GIVEN THE OPPORTUNITY TO WRITE AND GIVE A SPEECH THROUGH A YOUNG PERSON'S PERSPECTIVE."

"I LIKED SEEING THE OPINIONS OF OUR GROUP USED IN THE NEWS TO BRING OUR IDEAS TO A WIDER AUDIENCE."

"I FOUND DISCUSSING THE GOALS OF THE CAMPAIGN WITH MPS MADE AN IMPACT AND THAT OUR OPINIONS HELPED SHAPE THEIR DISCUSSIONS."

"I'VE ENJOYED MEETING OTHER YOUNG PEOPLE AND DISCUSSING OUR THOUGHTS AND FEELINGS – THEN USING THIS TO BUILD OUR IDEAS."

"YOUNG PEOPLE CAN BE HEARD AND THEIR OPINIONS CAN MAKE A DIFFERENCE."



### **A highly successful How Safe conference**

In June we held our annual How Safe are our Children? conference. Among the speakers and panels, we heard from child psychiatrist Alain Gregoire, who made the poignant remark that austerity and the lack of available services for abused children may be reducing the country's financial debt, but leaving future generations with emotional debt.

On the second day actor and advocate David Schwimmer spoke about his role in the US as a director of the Rape Foundation Board and the importance of providing child-centred, wrap-around support to children who have experienced abuse. He closed his keynote speech with: "as you guys say, It's Time." It was great to see so much support for improving the help that children get after abuse from so many people.



## Developing and testing new approaches to infant mental health

As well as campaigning, we are continuing to develop and test new approaches to helping children recover. When a child experiences abuse or neglect and ends up in care, they are at a greater risk of mental health problems and other negative outcomes throughout their lives. Very young children are particularly vulnerable to abuse and the effects of trauma on their development can be profound.

This year we have put a spotlight on the mental health of babies in care. We published a case for change which brought together a wide range of research and practice evidence about why we need to rethink our approach to infant mental health in the care system. The spotlight coincided with the UK's first ever infant mental health awareness week.

Using teams of social workers and clinical psychologists – which we call Infant and Family Team – to give vital early support to maltreated babies (under five years) and their caregivers, we have been able to test a new approach. This approach also allows us to provide informed recommendations to family courts and hearings about a child's permanent future care.

We published the findings of an exploratory evaluation of the Infant and Family Team in London ahead of a planned randomised controlled trial to evaluate the clinical and cost effectiveness of the approach. We are also testing the approach in Glasgow and we're excited to see the results.

## Helping children who've been abused let the future in

Through Letting the Future In we continue to deliver therapeutic services for children who have experienced abuse. Through evaluation of the service we found that the service is effective in helping children recover from some of the effects and impacts of sexual abuse and this was recognised when the service was selected as a finalist for the Children and Young People Now annual awards.

Over the last 12 years the Rebuilding Childhoods Board have raised over £14 million for our therapeutic sexual abuse services (including Letting the Future In and Turn the Page), which has been instrumental in helping to rebuild children's lives and give them the strength they need to move forward to a happier future.



Over the last 12 years  
the Rebuilding Childhoods  
Board have raised over

**£14 million**

## ... and helping them get back on track

We are also developing new services to help children get back on track. We have successfully developed and implemented a project in our Nottingham service centre which helps children in care understand and think through their own life story. This project has been developed in response to the overwhelming evidence that children in care have lower levels of emotional wellbeing than children generally.

Life story work helps looked after children to develop a more coherent and positive sense of their identity. We are developing a new approach to doing life story work with looked after children which we will test out to see if it is effective in improving outcomes for children.

## Keeping young people safe from sexual exploitation through Protect and Respect

Not enough is known about the sexual exploitation of children, it's a complicated issue which is constantly changing. We are continuing to run a programme on this, called Protect and Respect. The programme works on different levels, educating young people about keeping safe, reducing risks, and helping children to recover. We have been testing and evaluating this service since our last strategy.



### Case study: Little Stars

Without generous donations from our supporters, NSPCC just wouldn't be able to do the work we do to keep children safe and help them recover from abuse.

Last year over 20,000 people donated £5 to name a light for someone special, in partnership with the world-famous Oxford Street Christmas lights. As the first ever charity partner for the Oxford Street lights we were able to reach lots of new supporters: 75 per cent of those who donated through this campaign were new to NSPCC.

We also had unprecedented levels of support from high profile figures including Sharon Osbourne, Rebecca Ferguson, Cheryl Cole, Jonny Wilkinson, Christopher Eccleston, Michael Sheen and Theresa May. Everyone's support helped us to raise £665,000 towards helping children.

Megan in NSPCC's Supporter Care team told the story of someone who bought a Little Star:

"We had lots of different people from various walks of life take part in the Little Stars campaign, dedicating stars for all different reasons. One of the most memorable was an elderly lady who wasn't sure how to use our website. She called in for some help, and I had a lovely chat with her about her life and family. She wanted three little stars for each of her grandsons, and she wanted to dedicate them on behalf of her grandsons to their late grandfather, her husband, who had died before any of the boys were born. She said it was so important to her because, while she missed her husband terribly, she was always trying to bring him to life in some small way for her grandsons. They had never met him, but that didn't mean they couldn't know him.

I helped her work through the website and made sure she received the links to the stars so she could share them with her family. But her story and her kindness were so moving, that I wanted to do a bit more for her. We had some lovely little star pin badges to promote the campaign, so I sent her four of these – three for her grandsons, and one for herself. In a letter included, I told her I hoped it would not only help her remember her late husband, but also remember how she and her three grandsons were helping us protect every childhood. I will never forget the email she sent in response, how she wrote that she was proudly wearing her pin and how the stars had brought her to tears."



2

## Increased evidence base on 'what works' in getting children back on track after abuse or neglect

While there is a lot of research on the impacts of abuse and neglect, there is less research on what works to get children back on track.

We're delighted to be supporting top class research that will show us what help children need to get back on track after experiencing abuse. We partnered with the Economic and Social Research Council to pull together a total funding pot of £1.7m. Together we commissioned four studies, which will last between two-and-a-half years and four years and began in March 2017. These four studies are designed to help us understand how we better prevent poor mental health outcomes for children and young people who have experienced abuse. These studies are diverse, ranging from a randomised control trial of trauma informed cognitive behavioural therapy and research helping us understand which children are more vulnerable to poor mental health outcomes right through to research exploring what adolescents who experience sexual abuse need which involves young people as researchers to help design and conduct the research.

These studies will be important additions to the evidence that we have in this area of policy and practice, and will help us understand how we can improve support for children.

### Case study:

#### Di Hunter, finalist of the Social Worker of the Year awards, talks about the importance developing new ways of helping children and preventing abuse

Di has been a social worker for over twenty years, working with children and families in a range of settings. She has worked directly with children as well as developing new services.

Reflecting on her role developing new services at the NSPCC, Di said:

"WE LOOK AT WHAT THE RESEARCH SAYS AND HOW TO TRANSLATE THIS INTO PROFESSIONAL PRACTICE – THIS IS WORK THAT OUR PARTNERS DON'T HAVE TIME TO DO. THE MOST EXCITING PART OF THE JOB IS BRINGING A GROUP OF PEOPLE TOGETHER TO BRAINSTORM IDEAS FOR HOW TO CREATE A NEW SERVICE FOR FAMILIES, HARNESSING THE

EXPERIENCE AND KNOWLEDGE OF OUR STAFF AND EXTERNAL EXPERTS ON HOW TO MAKE THINGS BETTER FOR CHILDREN.

"THE AIM IS TO CREATE A SERVICE THAT DOESN'T WORK JUST FOR THE NSPCC, BUT FOR OTHERS TOO. THAT'S IMPORTANT – WE WANT TO DESIGN APPROACHES THAT OUR PARTNERS CAN USE, IMPROVING THE LIVES OF CHILDREN THAT GO TO THEIR SERVICES, NOT JUST THE ONES THAT COME TO NSPCC. WE CAN MAKE EVEN MORE OF A DIFFERENCE."

One of the services that Di worked on was Domestic Abuse, Recovering Together (DART). DART is the first programme helping families recover from the experience of domestic abuse which holds sessions that brings mothers and their children together. They go on the journey with each other, rather than separately. Di and her team ensured DART included innovative and creative play techniques to prompt interaction between mother and child, and encourage them to talk to each other about the abuse. One example is the 'Oogle', a small figure made from plasticine which mother and child create together. The practitioner then asks a series of questions about the Oogle in order to explore the theme of healthy relationships. DART was tested and found to help improve relationships between the mothers and their children and to help children recover from domestic abuse. We are now sharing the approach with others so that more children can benefit from it.



# Goal 5

## Make children safe from abuse online

**The online world offers many opportunities for children, but it also creates new risks, including grooming, the sharing and viewing of child abuse images, and bullying from other children. The type and scale of the challenge is fast-moving.**

This year we have been focussing on two key areas:

### **1 More communications providers demonstrate best practice in relation to child safety online**

It is important that industry plays its part in keeping children safe, and that we can all hold it to account for this. With the help of our supporters, we have made some great progress this year.

#### **Together, we changed the law**

Almost two years ago 50,000 campaigners signed our petition and wrote to the Government calling for a new law to make it illegal for an adult to send a child a sexual message in England and Wales. After another burst of campaigning this year, the Government brought the new law into force at the start of April 2017, so the police will be able charge people with the offence and protect children from online grooming at an earlier stage.

*We would like to take this opportunity to thank all of our volunteers that support and work alongside our Community Fundraising teams. Our dedicated volunteers are frequently the 'shop window' through which people in local communities see and become aware of our work. Their input and support extends far beyond raising essential funds to support our services for children. These events and the publicity they generate help to increase awareness and support for the NSPCC. Our volunteers lend personal support for campaigns such as 'Flaw in the Law' and staff votes such as Lidl and thank you campaigns in Matalan, help us to increase awareness locally as well as influence government to change the law. As another financial year draws to a close, we would like to say a HUGE thank you to all our Community Volunteers – for their time, passion, dedication and fundraising efforts, which help to change children's lives. We couldn't do what we do without them. **Thank you.***



### **Working together to block bullying**

Last year we partnered with The Sun for a week on the Block The Bullying campaign that called on social media companies to remove videos showing children being bullied online. We set up a pledge supporters could sign saying that they would report videos on social media sites if they saw them.

### **Pushing the government to keep our little internet explorers safe**

Over 1,600 NSPCC campaigners wrote to the Culture Secretary about our Safe Internet Explorers campaign, asking government to ensure that websites, games and apps consider children's safety; moderators are trained to spot signs of bullying on chatrooms or social media; and to put simple steps in place to prevent children stumbling upon sexual and violent content. The Government has launched a major drive on internet safety which makes real the prospect of ensuring equal protection for children online and offline and the possibility of a set of minimum standards for providers of internet services.

### **Reducing the number of child abuse images online**

We have continued to raise the issue of child sexual abuse images. In November 2016 we launched a report, 'Online Child Sexual Abuse Images: Doing more to tackle demand and supply' which estimated between 450,000 and 590,000 males aged 18-89 in the UK have viewed child abuse images online. This report assessed and summarised existing activity by a range of organisations and identified a number of key areas where progress is urgently needed. It made tangible recommendations for how to reduce the supply of and demand for child abuse images, including giving children the right and means to remove self-taken sexual images of themselves from the internet.

We continue to receive phenomenal support from the BACIT Foundation, whose dedication to the NSPCC since 2013 is helping us to keep children safe from abuse online by supporting our embedded social workers in the NCA's Child Exploitation Online Protection Command.





## 2 More adults know how to keep children safe online

It is vital that parents and carers who look after children and professionals who work closely with them are able to keep children safe online.

Throughout our continued partnership with O2, aimed at supporting parents to help keep children safe online, staff have embraced the partnership and raised £200,000 through various activities. These activities have seen a team of 16 brave runners taking on the London Marathon, golf events, the annual O2 touch rugby tournament and promoting our Letter from Santa appeal to O2 customers.

### Keeping kids safe online with the help of O2

We are a leading source of advice and support for parents in relation to online safety. We rank first on Google in searches of online safety which is a testament to the quality of our content. We have piloted and launched our online safety parent workshop offering and so far the programme has reached over 7,400 parent schools and communities.

In partnership with O2, we also continue to run an online safety helpline to provide technical support and advice to parents. We also provide training and safeguarding tools focused on keeping children safe online, which were used 14,400 times this year as well as offering eLearning and last year 6,275 online safety eLearning licenses were purchased.

### Helping parents be Net Aware

Net Aware, our tool for parents packed with information and advice on social networks, games and apps, continues to win awards. This year it won the Internet Matters Digital Safety Award for 'Best product or service for parents'. It's a fantastic accolade, not least in coming ahead of ParentZone and Vodafone, and shows Net Aware continues to be a flagship product for online safety. We have now completed the reviews for the 2017 update of Net Aware, incorporating the views of thousands of young people and adults on the safety of the most popular sites, apps and games.

### Encouraging parents to set parental controls and protect their children

In January we launched our Innocent Searches campaign with our partner O2, encouraging parents to set parental controls.

Over the month-long campaign, calls to the Online Safety Helpline more than doubled and we saw a jump of 34 per cent to 48 per cent of parents of 5-10 year olds surveyed, who reported to have set up parental controls on portable devices.



# Looking back

**Last year we launched our new strategy and set out how we would focus on certain areas under our new goals. We reached 1,802,500 children this year, taking us 36 per cent toward our 5 year target of making 5 million children safer. At roughly 16 per cent ahead of target this year, we reached approximately 13 per cent of the UK's child population. Working on current projections we now expect to reach our target in three years.**

The main reason for this is that we have seen a huge expansion in our primary school service: *Speak Out. Stay Safe.* is now being delivered into key stage 1 as well as key stage 2 classrooms. Support from funders and from volunteers and huge demand from schools has meant we have been able to expand the service faster than we anticipated and we now expect to far outstrip our original target. We are hugely proud of this achievement. As well as celebrating successes, we recognise that there are areas where we could have greater impact, and we continue to challenge ourselves to meet our ambitions.



## Goal 1

### Prevent child abuse in families facing adversity

#### Our aim:

Developing a model to deliver direct services working closely in partnership with local stakeholders to deliver systemic changes in a local area to help protect children from abuse and neglect.

#### How we are achieving this:

Through Together for Childhood we are bringing together local partnerships between statutory agencies, local communities, the voluntary sector and the NSPCC, to design and deliver a range of services and activities that tackle abuse and neglect at the earliest stage and where possible stop harm to children before it starts. Although we made substantial progress designing Together for Childhood, we did not launch our first site this year as planned. The early signs are promising and we will continue to grow this throughout the next year.

## Goal 2

### Prevent child sexual abuse

#### Our aim:

Launch new services that prevent abuse and would build on the success of the Underwear Rule campaign.

#### How we are achieving this:

This year we launched the Harmful Sexual Behaviour framework, which has been adopted by several local areas. Through peer reviewed research and evidence we have shared our knowledge of 'what works' in preventing sexual abuse to support professionals. We also continue to build on the success of PANTS with our award-winning Pantosaurus character and song, which helps parents to have conversations with their children about staying safe.

### Goal 3

#### Help children speak out and adults take action about abuse

##### Our aim:

Reach many more children with our *Speak out. Stay safe.* service to help children in school understand what abuse is and where to turn for help.

##### How we are achieving this:

This year we managed to reach 1.6m primary school children across the country and exceeded our ambitious target by 7 per cent. The 'Schools Service' also began delivering online safety workshops to parents. Although Childline continues to help many children, we delivered fewer counselling sessions than target; this remains a priority area of focus. We delivered 295,202 counselling sessions through Childline voice, chat and email channels this year, 9 per cent below target. We are reviewing our Childline activity to make further improvements.

### Goal 4

#### Help children who've been abused get back on track

##### Our aim:

Build on our It's Time campaign to ensure that all children who are abused are able to get the help they need to get back on track.

##### How are we achieving this:

This year the Government has committed to piloting mental health assessments for children in care across several areas. We are also building evidence around what works by commissioning world leading research. We struggled to increase our campaigner base as changes in how we record supporter opt-ins significantly reduced the number of campaigners we can reach. We also struggled to obtain data to understand the pace of improvements to the justice system. Due to the difficulties in obtaining the data, we are replacing this measure. We will instead report on the number of NSPCC policy calls that have been enacted, to improve the justice system to support children who have suffered abuse and neglect to get back on track.

### Goal 5

#### Make children safe from abuse online

##### Our aim:

Help more parents keep their children stay safe online

##### How we are achieving this:

We exceeded all of our targets against this goal. We have helped parents by providing them with the tools to keep children safe online. 41.6 per cent of parents reported that they found it easy to access safeguarding information in the top social networking sites, a significantly higher percentage than we expected. We have run workshops for parents on how to keep their children safe online with our *Speak out. Stay safe.* service. We have continued to develop our award winning tool Net Aware, which is packed with information and advice for parents on social networks, games and apps. We exceeded our target by 67 per cent for the performance of the NSPCC website about child safety online, with increased traffic driven by our high ranking in Google search for 'online safety', as well as awareness from our O2 partnership and the Innocent Searches campaign that was run in January.

In August 2016, we took the difficult decision to reduce the number of locations delivering direct services. We have learnt that impact for children is more likely to be secured where a service centre is resourced sufficiently to develop and take advantage of building, and then making the most of, relationships with our partners, to the benefit of children and families locally and beyond. At the same time we needed to, where we could, allocate resources to other urgent priorities, notably in strengthening our ability to transfer knowledge effectively and build our efforts to improve child safety online. The closure programme was undertaken in 2016 with sensitivity and respect to our staff and the children and families we were working with in those locations. We worked to ensure we finished all our work safely with all the children where we had open cases.

# Looking ahead

**We are expecting another really exciting year in 2017/18, where we will continue to focus on our goals and on the impact we are having for children.**

## Goal 1

### Prevent child abuse in families facing adversity

We will continue to share the learning from our evidence based services, specifically Graded Care Profile 2 and Baby Steps, with other organisations ensuring that many more children and families can benefit from approaches which we know work. We will also develop digital extensions for our services so that we can reach even more children and families. We will open our first Together for Childhood centre that focuses upon this work.

## Goal 2

### Prevent child sexual abuse

We will build and share our Harmful Sexual Behaviour framework with other agencies and help them build their responses to this issue. We have begun to work with partners to develop a school based approach to preventing sexual abuse. Over the next year we will begin to pilot the approach in secondary schools. We will focus on reducing the demand for and supply of, child sexual abuse images. We will open our first Together For Childhood centre that focuses upon this work.

## Goal 3

### Help children speak out and adults take action about abuse

Over the next year we will be launching new content for the under 11s through Childline, helping us to support a group who are less likely to reach out to Childline at the moment. We will also deliver training and consultancy to more organisations, to share our knowledge and expertise with others and improve the response that children receive from a range of services that work with them.

## Goal 4

### Help children who've been abused get back on track

We will continue to campaign for more support for children who have been abused. We will also share the learning from services that we have evaluated which help children to recover from abuse and get back on track, specifically Domestic Abuse Recovering Together, Letting the Future In and Reunification.

## Goal 5

### Make children safe from abuse online

We will raise awareness of how adults can keep children safe online through delivering workshops to parents and through our campaigning work. Working with government and industry, we will focus on making a child's 'right to remove' sexualised images a reality, and improve policies and practices.



# Our values principles and standards



## Our values

As the only charity focused on ending child cruelty across the UK, everything we do protects children and prevents abuse. The values that embody our charity, as well as reflecting what we stand for are:



**Putting children first** – for more than 130 years we've put children first.

We believe in children, we want what's best for them, and we will fight to end cruelty to children.



**Taking a stand** – we campaign to change laws where necessary, lead public debate and we're on the frontline, supporting those who work with children, and challenging those who should do more to keep them safe. We will speak out when something is wrong and celebrate success with those who help things improve.



**Making an impact** – our work won't end until we've transformed attitudes and services for children, protected every child and prevented abuse. We're brave in our actions and prepared to be unpopular when necessary and sometimes force society to face uncomfortable truths where things get in the way of achieving our goal.



**Never settling for second best** – we are constantly learning, developing our work, measuring what's effective and sharing knowledge with others.



**Working together** – we can't end cruelty to children on our own. Luckily we don't have to. Our passion inspires others, and our desire to listen, to learn and to improve means we continually work with inspirational people, organisations and children.

## Remuneration policy

We aim to be an employer of choice and we have around 2,000 paid staff operating from 11 regions in the UK. We engage with both staff and volunteers regularly and value their opinions and receive feedback through a variety of events and surveys.

We recognise the importance of attracting and retaining talented staff to ensure our continued success. Whilst we aim to maximise our impact in improving the lives of our beneficiaries, we know that doing this successfully means balancing different needs. These include ensuring value for money in everything we do, including how we pay our staff, whilst offering a wage which enables us to attract, retain and motivate people with the right knowledge, experience and skills.

The board of trustees has overall responsibility for our pay policy and the salaries of executive directors. We exercise this through the remuneration committee, which is a sub group of the board of trustees. The committee approves executive pay and any annual pay awards in line with appropriate best practice standards, including those of the National Council for Voluntary Organisations (NCVO).

In line with NCVO recommendations, the annual salaries of our Chief Executive and other executive board members are disclosed on our website, no more than two clicks away from the homepage. The table below shows the annual remuneration of the executive board as at 31 March 2017.

## Executive board annual remuneration as at 31 March 2017

Executive board director	Responsibilities	FTE*	Salary £'000	Benefits £'000	Pension £'000
<b>Chief Executive</b> Peter Wanless	Leading the organisation, which has an annual income of over £127m and employs around 2,000 staff, delivering services across the UK and Channel Islands.	1.0	170	3	11
<b>Director of Children's Services</b> Sherry Malik	Manages the directorate responsible for the development and delivery of preventive, assessment and therapeutic services that work directly with children, young people and their families.	1.0	129	2	13
<b>Director of Communications</b> Alison Jeremy	Manages the directorate responsible for all communication initiatives; ensuring that all communication on behalf of the organisation is appropriate, consistent with our brand and key messages, and of a high standard. Also works on behalf of the whole organisation promoting the NSPCC's work, policies, campaigns and publications.	1.0	120	5	15
<b>Director of Corporate Services</b> David Roberts	Manages the directorate responsible for ensuring that we have effective financial controls; robust and enabling technology infrastructure and systems; a fit-for-purpose property portfolio; and appropriate information to support the efficient use of resources.	1.0	131	5	16
<b>Director of National Services</b> Peter Watt	Manages the directorate responsible for providing a range of universal national services that are focused on protecting children and young people and preventing abuse.	1.0	122	2	15
<b>Director of People</b> Siobhan Sheridan	Manages the directorate responsible for recruitment, development, and retention for around 2,000 staff and thousands of volunteers across the organisation.	1.0	110	2	11
<b>Director of Strategy, Policy and Evidence</b> Kate Stanley	Manages the directorate responsible for the formulation of the five-year strategy, and for developing and testing activities that will help us to achieve our strategic objectives. Responsible for our research programme, the evaluation of our services and our policy influencing work.	0.9	77	1	8

All figures shown in the table above are annualised amounts based on the rate of pay at 31 March 2017

\*full time equivalent

Director of Fundraising, Paul Farthing, resigned 30 April 2016 and Nigel Spencer was appointed as interim Fundraising Director as we looked to recruit a permanent replacement. Simon Lande was appointed as Director of Fundraising and Engagement in May 2017.

Our policy is to pay at rates which are competitive within the charity sector, reflect the nature and complexity of roles, take account of contribution by rewarding strong performers the most and are consistent with our charitable objectives and what we can afford. Our rates of pay are above the national minimum wage and living wage.

In 2017 we paid increases, based on annual performance ratings, of up to 2 per cent for the highest performers (2016 up to 2 per cent). Pay is also reviewed when existing staff take on additional responsibilities.

We have pay ranges based on seven grades as follows:

Grade	Min £	Mid £	Max £	Max, including market premium £
P1	15,015	16,050	17,085	17,085
P2	15,500	17,950	20,400	20,400
P3	19,000	21,995	24,990	27,489
P4	24,000	27,810	31,620	34,782
P5	29,500	34,130	38,760	42,636
P6	34,000	39,440	44,880	49,368
P7	41,500	47,780	54,060	59,466

*Pay ranges exclude any regional or car allowances which may be given.*

New recruits are usually paid between the minimum and mid-point of the relevant pay band, depending on their experience and skills. In exceptional circumstances, where it is required, they may be paid at a higher rate, but not more than the pay range maximum. For some roles which are difficult to recruit to, a market premium of up to 10 per cent above the pay ranges may be paid. The reasons for recruiting at market premium rates must be explained in a business case which must be approved by the relevant executive board director and the Director of People. We also have 49 staff who are paid at "spot rates" outside these ranges, including our executive board whose annual remuneration details are shown above.

We operate a defined contribution pension scheme, with employer contribution rates ranging from 6 per cent up to a maximum of 12 per cent depending on the employee's contribution rate and length of service. We decided to close this scheme this year. Anyone still eligible to join was sent a letter and an application form giving them the opportunity to join before the scheme was closed. No new joiners will be accepted after 31 May 2017 except for new starters recruited to roles advertised before 1 April 2017. An auto enrolment scheme also operates, in compliance with the Pensions Act 2008. All eligible employees are automatically enrolled following a postponement period of three months, with employer contribution rates set in line with the requirements of the legislation. Our staff based in the Channel Islands have different pension arrangements in compliance with local legislation.

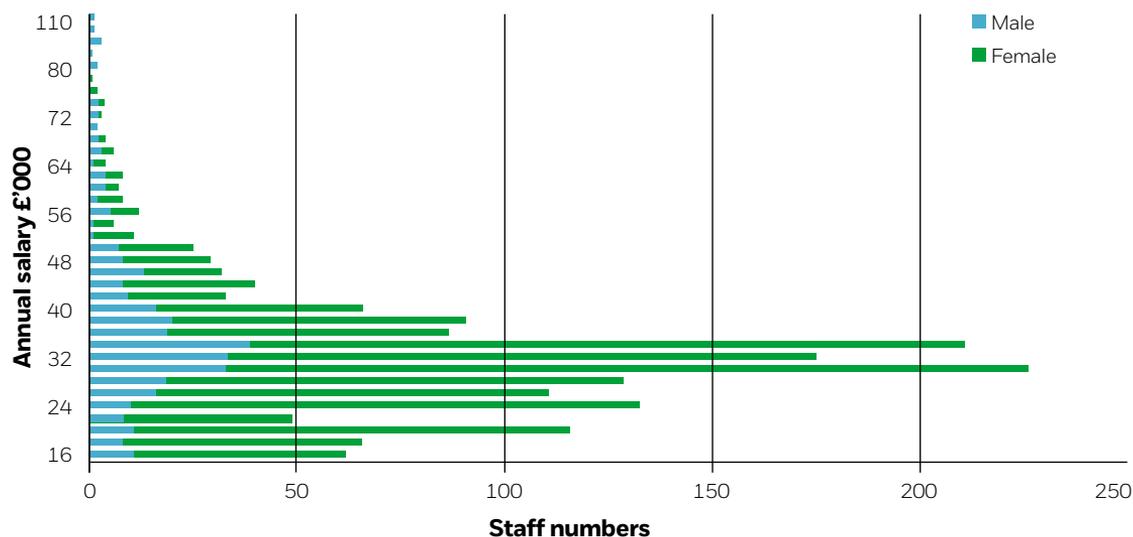
Full members of the pension scheme receive enhanced risk benefits including life assurance and spouse/dependant's pension. Non members, those auto enrolled and our staff based in the Channel Islands also receive a basic level of life assurance cover.

At 31 March, the ratio between the highest paid and median salaries is as follows:

	2017	2016
Highest paid salary (£'000)	170	167
Median (£'000)	32	32
Ratio	5.3	5.2

The spread of annual salary entitlements for all our staff, excluding executive board members is detailed in the graph below. Gender pay information is available on our website in line with The Equality Act 2010.

**Annual salary entitlements (full time equivalent basis) for all NSPCC staff, excluding executive board, employed at 31 March 2017**



**Executive board directors' expenses incurred on our business, and reclaimed or paid directly by the charity in the year - for directors in post at 31 March 2017**

£	Expenses				Total	
	Flights £	Hotels £	Rail £	Other £	2017 £	2016
Chief Executive - Peter Wanless	279	1,199	1,693	164	3,335	3,917
Director of Children's Services - Sherry Malik	318	321	2,447	332	3,418	4,964
Director of Communications - Alison Jeremy	177	1,130	758	217	2,283	2,069
Director of Corporate Services - David Roberts	-	84	1,125	-	1,209	2,881
Director of Fundraising - Paul Farthing (resigned 30 April 2016)*	-	-	-	-	-	1,286
Director of National Services - Peter Watt	251	192	1,159	224	1,826	1,827
Director of People - Siobhan Sheridan	-	218	877	-	1,095	2,306
Director of Strategy, Policy and Evidence - Kate Stanley (appointed 1 April 2017)	204	260	368	118	950	-
Director of Strategy, Policy and Evidence - Lisa Harker (resigned 31 March 2016)	-	-	-	-	-	1,916
<b>Total</b>	<b>1,229</b>	<b>3,403</b>	<b>8,428</b>	<b>1,056</b>	<b>14,116</b>	<b>21,166</b>

\*The Director of Fundraising, Paul Farthing, resigned 30 April 2016 incurred expenses of £1,286. Nigel Spencer was appointed as interim Fundraising Director as we looked to recruit a permanent replacement. Nigel Spencer incurred expenses of £2,468 in 2016/17. Simon Lande was appointed as Director of Fundraising and Engagement in May 2017.

## Expenses policy

Our expenses policy is applicable to trustees, staff and volunteers. The policy highlights each claimant's obligation to only incur costs if necessary, and to always choose the most economical option. Use of video conferencing and teleconference facilities is encouraged, to further reduce expenditure on staff travel and to save staff time. Expenses are only reimbursed when authorised by the relevant line manager, up to maximum limits set in the expenses policy.

We make use of a travel management company, who provide bookings for rail, air, hotel accommodation, conference and event venues and vehicle hire in order to reduce travel costs and promote value for money. Such bookings are paid for directly by the organisation.

All of our trustees give their time on a voluntary basis; they receive no remuneration or other benefits. Trustees' expenses incurred in furtherance of their duties are detailed in note 6 of the accounts. Executive board directors' expenses incurred on our business are disclosed on the previous page.

## Procurement policy and modern slavery statement

We are committed to acting ethically and with integrity both internally and in our business relationships, and we expect the same high standards from the organisations we work with. Our ethical values and procurement principles are communicated to our suppliers, and new suppliers are asked to evidence that they share our values. We will never knowingly support or do business with organisations in any way connected with slavery, human trafficking or child labour.

Our procurement process aims to ensure we achieve value for money and that preferred suppliers meet or exceed our requirements in respect of ethical procurement. Suppliers are asked to demonstrate that they embrace diversity, understand the risks within their own supply chain and remunerate their staff fairly.

Our supply chain is predominantly UK based and is compliant with UK legislation. We take a risk based approach to purchasing, applying increased levels of scrutiny to high risk supply categories such as goods sourced from overseas. We focus our scrutiny on the policies, procedures and controls demonstrated by our direct suppliers, recognising that it is not always possible for us to have a close relationship with all parties in a supply chain.

## Our relationship with donors and funders

A new Fundraising Regulator was established in January 2016. We have voluntarily subscribed to the Fundraising Regulator's fundraising promise, which is available to download on our website and, in addition; has published our commitment to supporters (previously our fundraising promise) as follows:

### Our commitment to supporters

- We will always tell you about how you are helping to change children's lives so you know how your money is being spent
- We will always take action if others acting on our behalf fail to meet our high standards
- We will never phone you unless you have expressed an interest in the work of the NSPCC
- We will always check first that you're happy to speak to us when we phone
- We will never sell your data to anyone else or share it without your permission\*
- If you tell us you don't want to hear from us again, or want to hear from us less, we will respect that

*\*It's necessary for the NSPCC to allow its carefully vetted suppliers to use supporter data to carry out work on behalf of the NSPCC, such as completing donation transactions and/or communicating with our supporters. We may also sometimes have to share data in other circumstances, for example where there's a legal requirement to do so. Please see our privacy policy.*

We receive around 90 per cent of our funding from generous supporters. We have an individual giving team, the activity of which is focused on raising funds from individuals through one off donations, regular donations by direct debit, payroll giving, promoting gifts in wills, gaming products and sales of products. We communicate with our existing and recent supporters through a selection of mailings, telephone calls, and email. We have also recruited new donors during 2016/17 through online activity, inserts, television advertising, payroll giving, legacy promotion activity, face to face cash and contactless payment collections and door to door fundraising. During 2016/17, we had external agencies fundraising directly with the public on our behalf across three activities: outbound calls to existing supporters; handling calls from the public to make a donation in response to television advertising and a door to door agency recruiting new supporters.

We strictly adhere to the Fundraising Regulator's code of fundraising practice and all relevant Institute of Fundraising rulebooks as well as guidance on fundraising activity including the Treating Donors Fairly Guidance. All fundraisers representing us receive rigorous training so as to understand the standards we expect when they are speaking to members of the public on our behalf, to ensure a positive experience. Above and beyond industry guidance, we also have additional levels of protection built into our contracts and the training and guidance we provide to all fundraisers. This includes additional measures to ensure donors are only contacted once they have indicated that they are happy for us to do so. Our donors do not receive more than two financial asks in any fundraising interactions. Nobody who appears to be in potentially vulnerable circumstances is asked to commit to giving and those highlighting any form of diminished financial circumstances, are offered an opportunity to give at a lower value or alternative ways of supporting our fight for every childhood, such as volunteering and campaigning.

We also voluntarily subscribe to the following fundraising bodies and standards:

Body	Standards
Fundraising Regulator	The Fundraising Promise The Code of Fundraising Practice  Rulebook for street fundraising and door fundraising
Institute of Fundraising (IoF)	IOF Rulebooks  Treating Donors Fairly Guidance  Compliance and monitoring pilot schemes - we are one of the charities working with the IoF during the development of a compliance and monitoring framework for the sector.
Direct Marketing Association	The Direct Marketing Code of Practice
Cabinet Office / Department for Culture, Media & Sport	National Exemption Order operational guidance

We have a complaints policy published on our website, which includes reference to inappropriate or improper fundraising methods. We are committed to dealing with all complaints constructively, impartially and effectively and will make every effort to ensure that all complaints receive a complete, accurate and timely response and no complaint is ever disregarded. In the year to date, we received (either directly or through a person acting on our behalf) a total of 416 complaints relating to individual giving and 241 complaints relating to other fundraising. We define a complaint as "any expression of dissatisfaction" and we actively encourage members of the public to share with us their views on our work to resolve problems and to improve our performance.

All agencies we worked with were closely monitored while carrying out fundraising on our behalf. For telephone agencies, we listened to a random selection of calls each week to ensure compliance with regulatory and legislative standards, and that our supporters have been offered a positive experience. For door to door activity, we have conducted 'shadowing' where we follow fundraisers to ensure they are representing our values when speaking to the public. For outbound telephone and door to door activity, we have surveyed our donors, providing the opportunity to feedback on the interaction they have had. All scores were monitored to ensure our donors are being treated appropriately, and to provide the learning to continue to improve the donor experience. All complaints received are tracked and discussed with our agencies on a weekly basis to ensure anything highlighted that could be improved upon is addressed and developed where needed.

Our fundraising activities along with a number of other well known charities have been investigated by the Information Commissioner's Office (ICO). The outcomes of this investigation were reported in April 2017 when the ICO published a decision on penalties for the breaches found. The ICO included findings about our practices and we were fined £12,000. We were disappointed in all the circumstances that the ICO chose to fine us. However, we were pleased to be able to draw a line under the matter when a small group of friends of the charity paid it, so we could move on with all supporters confident that not a penny of their donations had been or would be diverted from our fight for every childhood.

The ICO has acknowledged that we have taken positive action to improve how we fundraise and communicate with our supporters. We have also been clear that many of the more serious failings identified by the ICO in other parts of the sector were never issues for us. For example we have never – and will never – share or sell our supporters' details with other charities.

# How we're organised and governed

We were initially founded as The London Society for the Prevention of Cruelty to Children in 1884. We then became the National Society for the Prevention of Cruelty to Children (NSPCC), incorporated by Royal Charter in 1895.

We are still the only UK children's charity with statutory powers that enable us to take action to safeguard children at risk of abuse.

Working in England, Wales, Scotland, Northern Ireland, and the Channel Islands, our services for children and young people are adapted appropriately in the light of relevant regional and local interests. We are a registered charity in England and Wales as well as in Scotland.

## Our board of trustees

Our board of trustees (the board) has collective responsibility for everything that we do, including the legal responsibility to ensure the charity is controlled and properly managed. In discharging their collective responsibilities our trustees:

- exercise their powers in accordance with our Royal Charter, other legal requirements and the principles of good governance
- act in the best interests of the organisation and our work to protect children and young people
- ensure that we are and will remain solvent and that there is proper financial management
- approve our strategic plans, budgets and reserves policies and monitor and evaluate our progress against those planned objectives and financial targets.

The board delegates responsibility for operational management to the chief executive, who leads a senior management team – the executive board. The executive board develop most of the organisation's plans, policies and processes, and are responsible for their implementation, following the board advice and approval.

## Board composition

Our board currently comprises 17 trustees who have a broad range of skills and experience.

Trustees usually serve an initial term of three years. This can be extended once up to a maximum of six years, and in very exceptional circumstances there may be a further extension.

All of our trustees give their time on a voluntary basis; they receive no remuneration or any other benefits. Any out-of-pocket expenses along with other costs paid directly by the charity, which the trustees have incurred in furtherance of their duties, are set out in note 6 to the financial statements.

Our trustees are recruited through a variety of means, including open advertising. We place particular emphasis on ensuring that we have the appropriate balance of skills and experience that we need so will use more targeted recruitment searches where necessary and keep under review the balance of trustees with regard to gender and diversity. There are currently eight male trustees and nine female trustees.

We also recruit divisional trustees from within our branch and district network, enabling us to benefit from the involvement and expertise of our valued supporters across the UK and Channel Islands. There are currently six divisional trustees.

Our nominations and governance committee recommend prospective trustees for approval to the full board, and they are then elected formally by members of the NSPCC Council at our Annual Council Meeting.

Our enhanced trustee induction programme covers three phases. Phase one is a pre-joining experience (receipt of a trustee welcome pack/handbook, communications from the chief executive and chairman); Phase two is a 'day one' and induction session (meetings with key senior staff and overview of the work of directorates and visits arranged to Childline bases/service centres); Phase three is the first six months, during which new trustees attend the Civil Society's 'Understanding Governance and the Trustees Role', and receive a copy of the NCVO's 'Good Trustee Guide'. In addition, trustees attend a session on the fundamentals of safeguarding vulnerable children (and adults).

Trustees are mindful of the priorities arising from an independent governance review, agreed within the context of the ambition to achieve exceptional standards as defined by 12 principles of governance that power exceptional boards.

Trustees undertook a survey in May 2015 to enable them to self-assess progress against these 12 principles.

## Board meetings

Our board meets six times a year; we also hold an annual board away day, which enables trustees and the executive board to focus on key strategic issues in more depth.

We have a session at most trustee meetings to highlight a particular service. This gives trustees the opportunity to hear first-hand from practitioner staff as well as from young people.

There are certain matters which the board reserves to itself through a written schedule. These include approval of our annual plan and budget, and our overall strategic direction.

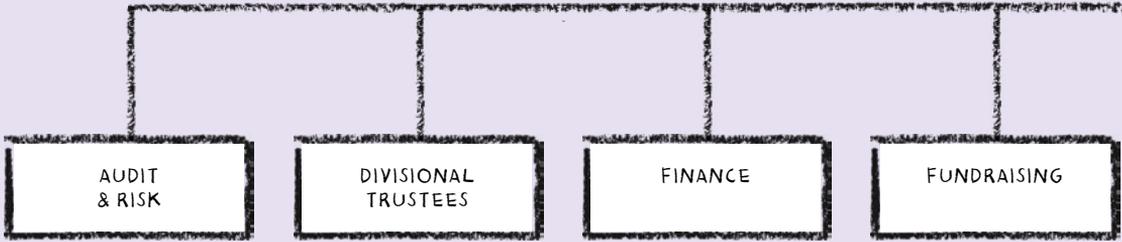
As a measure of board effectiveness we have included trustee attendance within our trustees listing on pages 57-58.

## Delegation

Those matters that are not reserved for decision by the full board are delegated to committees of the board who report back to the board on a regular basis or to the chief executive. A framework for levels of decision-making (including financial authority levels) is also in place for all of our staff. This is regularly reviewed and updated as necessary.

## Committees of the board

# BOARD OF



### Audit and Risk committee

Oversees our systems for quality, performance, risk management and internal controls ensuring that our systems are robust, effective and fit for purpose.

### Divisional trustees

Provides the interface between our branch networks and volunteers and represents our work across all sections of the communities in which we work.

### Finance committee

Maintains an overview of the financial aspects of our strategy, and reviews and monitors our policies, processes and standards in order to secure effective financial management.

### Fundraising committee

Reviews our fundraising strategies and activities against objectives including the quality of supporter experience and ensures compliance with regulation and good practice.

## National Volunteer Board

This board acts as a co-ordinating body for our volunteer network across the UK, bringing together our valued volunteers with a passion and commitment to raise funds. It is responsible for the key elements of our volunteer fundraising, including a number of significant events.

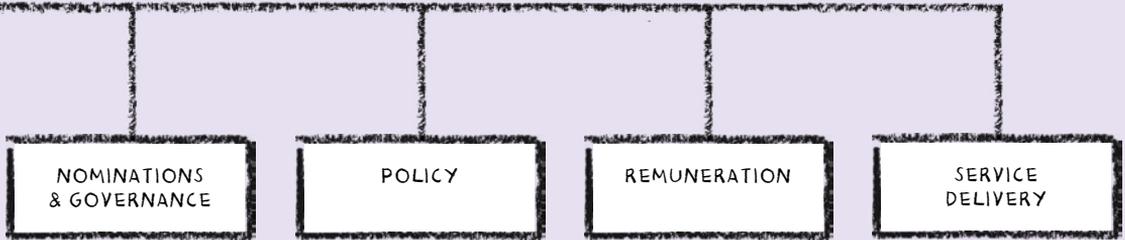
## NSPCC directorates

Our activities are organised under the following directorates:

# CHIEF



# TRUSTEES



## Nominations and Governance committee

Ensures that we comply with our Royal Charter and bye-laws as well as best practice in governance, and reviews the role and membership of the board of trustees and its committees.

## Policy committee

Responsible for identifying key issues on which we must have a public policy position and reviews our work with government and other agencies.

## Remuneration committee

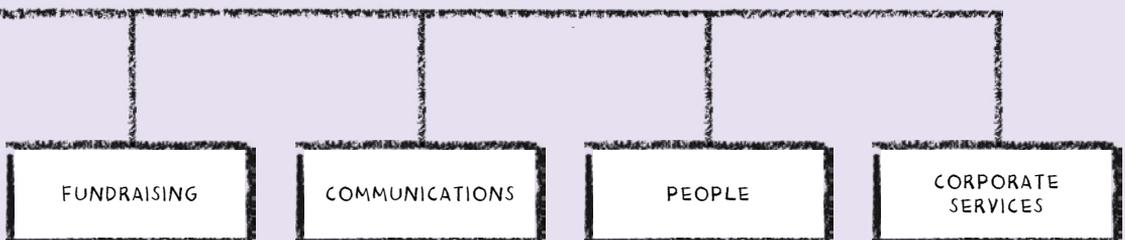
Decides on the appropriate level of remuneration for our chief executive and reviews recommendations for remuneration of the executive board. Further information on executive board and other senior staff remuneration is included earlier in this report.

## Service Delivery committee

Reports to and advises the board on the development and impact of our services for children and young people ensuring that we are learning effectively, transferring knowledge and scaling up our services where appropriate.

Co-opted members who are not themselves trustees serve on some of our committees and we are very grateful for the expertise, skills and experience that they bring.

# EXECUTIVE



## Principal risks and uncertainties

### Risk environment

The NSPCC works in a high risk environment. Most of the children we work with closely are at some level of risk. What's more, to target our resources effectively, we choose to focus our more intensive face-to-face work in parts of the UK where need is greatest. Working in this way increases our level of risk. This is something our board of trustees accepts as a consequence of our strategy.

Added to the risks which are part of our frontline work, there are fundraising challenges. Our services are mainly funded by the generosity of supporters through voluntary donations. It is important for us to retain our financial independence so that we can encourage others to act in the best interests of children. Reliance, however, upon voluntary donations in a competitive and highly regulated environment heightens levels of uncertainty. A reduction in financial support could hinder our ability to deliver.

### Measuring, monitoring and reporting risk

The board of trustees has agreed how our risks are to be measured. We score all risks by considering the impact of the risk and by the likelihood of the risk occurring.

A target score is given to each risk. This target score is the level of risk acceptable to the board of trustees. As a rule each risk will meet its target once all the right controls are in place.

Key to the effectiveness of the our risk management system is the annual review of the Strategic Risk Register (SRR) by the board of trustees and the reviews of risk by the audit and risk committee. Risks are also considered at each directorate's quarterly business review.

#### Status of strategic risks



Target not met

Approaching target

On target

## Strategic risks

The SRR defines those risks which, if they were to occur, could threaten our ability to deliver our strategy.

Of the 14 risks currently on our SRR, the following eight risks were on target at 31 March 2017.

- Business continuity**  
insufficient business continuity and resilience
- Fundraising income risk**  
a fall in planned revenue of more than 5 per cent in-year and/or 15 per cent over a 5 year period
- Staff recruitment and retention**  
the inability to effectively and safely recruit staff
- Safeguarding**  
the death, serious injury or harm of a child or young person due to an inadequate system of safeguarding and child protection controls
- Health and safety**  
significant non-compliance with health and safety legislation and health and safety best practice
- Political relations**  
failure to maintain effective political relations or a breach of the codes of practice on political relationships
- Information security**  
failure to implement an effective system of technical controls
- Strategy**  
non implementation of our strategy 2016-2021

Following the progress made in managing and embedding our SRR in 2015/16 and the launch of our new strategic plan, four new (or substantially revised) risks were added to the SRR in 2016/17. These risks (alongside the reputational risk which was introduced in 2015/16) have yet to reach their target score.

Progress in relation to each of the outstanding risks is set out below.

### Reputation

The public criticism of the charity sector - triggered to a considerable degree by some fundraising practices - damaged the reputation of the sector as a whole.

In response, in 2015, the Information Commissioner's Office (ICO) began an investigation into the fundraising practices of charities, including us. The outcomes of this investigation were reported in April 2017 when the ICO published a decision on penalties for the breaches made.

Our constructive response to the ICO's investigation has assisted us to moderate some of the potential damage to our reputation. The ICO has acknowledged that we have taken positive action to improve how we fundraise and communicate with our supporters. We have also been clear that many of the more serious failings identified by the ICO in other parts of the sector were never issues for us. For example we have never – and will never – share or sell our supporters' details with other charities.

In addition, in advance of the ICO's findings, we developed an action plan, with the assistance of an external adviser, to review and where appropriate strengthen practices that could have a positive impact in that context. The recommended actions have been taken and are working effectively.

Although there are now no outstanding actions in relation to this risk we are not in a position to report that this risk has reached its target score. Most of the other risks would have a significant impact upon our management of its reputation if they were to emerge. The reputational risk cannot therefore reach its target score until all other risks are on target.

## **Data protection**

The most significant outstanding action at the end of 2015/16 was the delivery of a new data protection training module. This critical training has now been delivered. During 2016/17, however, a number of additional actions were identified to reinforce our management of personal data and these will be implemented in 2017/18.

In addition, given the impending enforcement of the General Data Protection Regulation (GDPR) by May 2018, we like all other organisations, are working hard to ensure compliance. We have therefore established an information governance steering group. One of the steering group's most immediate tasks will be to deliver implementation of GDPR.

## **Digital**

At a conference in November 2016 with our chief executive and executive board, members of the board of trustees and experts from industry, it was agreed that we are making good progress delivering our critical digital strategy. Priorities were agreed at the away-day that will be built into business plans. The current score of this risk has been reflects the solid progress made and all outstanding actions will be implemented in 2017/18.

## **Legal/Regulatory**

Separate risks have been raised for areas where compliance-related risks are particularly high (i.e. where there are regulatory requirements or where high levels of non-compliance would be a particularly sensitive issue).

The critical control for the mitigation of this risk is the identification of the principle legislation and regulations with each directorate senior management team. Training is scheduled to be developed for each directorate by the end of the financial year and will be delivered during the course of 2017/18.

## **Independent inquiry into child sexual abuse**

The breadth and timeframe of this inquiry means that the probability of this risk materialising will always remain high even after all the identified controls are in place. Risks and controls are being monitored at an operational as well as a strategic level and our system of internal controls will be evaluated in Quarter 1 2017/18 by our Inspection Unit.

*In addition to the above, one risk which had previously reached its target score has been re-evaluated in the light of the February 2017 Inspection of volunteer recruitment.*

## **Volunteer recruitment and retention**

This risk had reached its target score in 2015/16 but this assessment was revised by management at the end of 2016/17. A number of improvements were identified around existing policies, processes and guidance. All of these improvements should be implemented by August 2017.

## Public benefit and how our activities deliver public benefit

We have a duty to report on our organisation's public benefit under section four of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken Charity Commission guidance into consideration.

Our vision is to end cruelty to children in the UK although such a vision may take many generations to be fulfilled. We believe cruelty to children is preventable and that through having our strategy in place we can achieve much more: 'Every childhood is worth fighting for'.

We believe we meet the public benefit requirements through the range of activities we undertake, most significantly through Childline, our free confidential helplines and our range of services for children and families. We deliver projects in local communities for children who have experienced or are at risk of abuse as well as those in care, focusing on the most vulnerable children. We also provide advice to adults and professionals who are concerned about children and work with other organisations that come into contact with children to ensure that they protect children and challenge those who do not. We also visit schools, providing young people with the knowledge and resilience to keep themselves safe. We also campaign to make children safer and improve the child protection system across the UK and Channel Islands.

## Trustees' responsibility statement

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

The law applicable to charities in England, Wales and Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## Subsidiaries and related parties

NSPCC Trading Company Limited and Childline are both wholly owned subsidiaries of the NSPCC, and their accounts are consolidated in the accounts presented on pages 70 to 97.

The principal activities of NSPCC Trading Company Limited are corporate sponsorship and fundraising events, sale of goods - including Christmas cards, and income from promotional activities. The company has seen increased income this year due to an increase in sponsorship income and fees from fundraising events. The company had a profitable year and continues to develop its activities to support our work. The taxable profit of £1.6 million (2016 £0.9 million) was donated under Gift Aid to the NSPCC.

Childline continues as a separate legal entity in order to receive legacy income not otherwise receivable by the NSPCC. In the year ending 31 March 2017 it received £1.3 million legacy income (2016 £0.9 million). This is paid by way of a grant to the NSPCC towards the operation for the Childline service for which the funds were received.

# Patrons, trustees, officers and professional advisors

## Royal Patron

Her Majesty The Queen  
(until 5 January 2017)

HRH The Countess of Wessex  
(from 5 January 2017)

## Board of trustees

Attendance at board and committee meetings is given in brackets against each trustee, excluding attendance at extraordinary meetings.

**Mark Wood** *CBE DBA FCA BA*  
Chairman

Board of trustees (5/6), Finance (2/4), Audit and risk (3/4), Fundraising (3/4), Nominations and governance (2/3), Remuneration (1/1)

### Ann Morrison

Vice-Chairman  
Board of trustees (6/6), Divisional trustees (Chair) (6/6), Fundraising (4/4), Nominations and governance (3/3), Remuneration (1/1)

### Sir David Normington *FCIPD*

Vice-Chairman  
Board of trustees (6/6), Nominations and governance (3/3), Policy (Chair) (3/3), Remuneration (1/1)

### Jonathan Bloomer *MBE FCA CCMl*

(until 6 October 2016)  
Honorary Treasurer  
Board of trustees (1/2), Audit and risk (1/2), Finance (Chair) (1/2), Remuneration (0/1)

### James Bailey *Chartered FCSI NASD Series 7*

Board of trustees (4/6), Audit and risk (3/4), Divisional trustees (4/6)

### Dr Joanna Begent *MBBS*

Board of trustees (6/6), Policy (3/3)

### Neil Berkett

Board of trustees (3/6), Fundraising (Chair) (until 10 May 2016) (1/1), Service delivery (2/4)

## President

HRH The Countess of Wessex

## Royal Patron of Childline

HRH The Countess of Wessex

### Elizabeth Brash

Board of trustees (4/6), Divisional trustees (4/6)

### Andy Briggs *FIA*

(appointed 6 October 2016)  
Board of trustees (4/4), Fundraising (Chair) (2/2), (from 10 May 2016)

### Clem Brohier

(appointed 6 October 2016)  
Board of trustees (3/4), Audit and risk (2/2)

### Professor Tanya Byron *PsychD*

(appointed 6 October 2016)  
Board of trustees (3/4), Policy (1/2)

### Antonia Consett *Chartered FCSI*

(appointed 6 October 2016)  
Board of trustees (4/4), Divisional trustees (4/4), Finance (2/2)

### Fiona Curteis

Lead Trustee with responsibility for safeguarding  
Board of trustees (6/6), Audit and risk (from 22 September 2016) (2/3), Divisional trustees (5/6),

### Tarek Khat *MBA*

Board of trustees (4/6), Fundraising (3/4)

### Lady Brenda McLaughlin *CBE Dip Soc Stds*

Board of trustees (5/6), Divisional trustees (5/6), Service delivery (Chair) (4/4)

### Dame Denise Platt *DBE AIMSW*

Board of trustees (4/6), Audit and risk (Chair) (4/4), Policy (2/3), Service delivery (4/4)

**Dame Esther Rantzen DBE**

President of Childline  
Board of trustees (6/6), Policy (2/3), Service delivery (4/4)

**Philippa Webster FCIPD**

(until 6 October 2016)  
Board of trustees (2/2), Divisional trustees (2/2), Finance (2/2)

**Sarah Wilson**

(until 11 August 2016)  
Board of trustees (2/2), Audit and risk (1/1), Policy (1/1)

**John Worth FCA**

(appointed 6 October 2016)  
Honorary Treasurer  
Board of trustees (4/4), Audit and risk (1/2), Finance (Chair) (2/2), Remuneration (0/0)

**Co-opted members**

We thank the following for the support on our committees, recognising the expert advice they give:

**Catherine Baxendale FCIPD**

Service delivery (4/4)

**Daniel Benton**

Finance (4/4), Fundraising (4/4)

**Andy Briggs FIA**

(until 6 October 2016)  
Fundraising (2/2)

**Clem Brohier**

(until 6 October 2016)  
Audit and risk (1/2)

**Angela Cha**

Fundraising (3/4)

**Gavin Dein**

Fundraising (2/4)

**Geoffrey Godding**

Fundraising (1/4)

**Brian Ledbetter**

Fundraising (1/4)

**Ian McCaig**

Fundraising (3/4)

**Jonathan Middup CA**

Audit and risk (4/4)

**Lynn Price**

Divisional trustees (1/6)

**Philip Rowley FCA**

(resigned 17 May 2016)  
Fundraising (0/1)

**Gavin Sanderson FCA**

Finance (4/4)

**Marco Scognamiglio**

Fundraising (2/4)

**Rajesh Tugnait MBA CIM Diploma in Professional Marketing**

Fundraising (3/4)

**Francesca Valli**

(appointed 22 February 2017)  
Fundraising (0/0)

**John Worth FCA**

(until 6 October 2016)  
Finance (2/2)

We also thank the Trustees of the NSPCC Pension Scheme Limited:

**Steve Delo (Chair)****Alex Camm****Wayne Casey****Clare Murray****Philippa Webster****Senior management (the executive board)****Chief Executive**

Peter Wanless

**Director of Children's Services**

Sherry Malik

**Director of Communications**

Ali Jeremy

**Director of Corporate Services**

David Roberts

**Director of Fundraising**

Paul Farthing

(resigned 30 April 2016)

Nigel Spencer (acting Director from 01 April 2016)

**Director of National Services**

Peter Watt

**Director of People**

Siobhan Sheridan

**Director of Strategy, Policy and Evidence**

Kate Stanley (from 19th September 2016;  
acting Director from 1 April 2016)

**Bankers and  
professional advisers****Bankers****Barclays Bank Plc**

One Churchill Place  
London E14 5HP

**The Co-operative Bank Plc**

9 Prescott Street  
London E1 8BE

**Auditor****Deloitte LLP**

Registered Auditor  
2 New Street Square  
London EC4A 3BZ

**Legal advisors****Bates Wells & Braithwaite**

10 Queen Street Place  
London EX4R 1BE

**Bond Dickinson**

4 More London Riverside  
London SE1 2AU

**Charles Russell**

5 Fleet Place  
London EC4M 7RD

**Wilson's Law**

4 Lincoln's Inn Fields  
London WC2A 3AA

**Withersworldwide**

16 Old Bailey  
London EC4M 7EG

(who also give us advice on a pro-bono basis)

We would like to thank the following  
firms for their pro-bono work:

**General Counsel's Office**

American Express Services  
Europe Limited  
General Counsel's Office  
76 Buckingham Palace Road  
London SW1W 9AX

**Baker & McKenzie**

100 New Bridge Street  
London EC4V 6JA

**Clifford Chance**

10 Upper Bank Street  
London E14 5JJ

**DLA Piper**

3 Noble Street  
London EC2V 7EE

**Drystone Chambers**

35 Bedford Row  
London  
WX1R 4JH

**Gowling WLG**

3 Waterhouse Square  
142 Holborn  
London EC1N 2SW

**Matrix Chambers**

Griffin Building  
Gray's Inn London  
WC1R 5LN

**Simmons and Simmons**

CityPoint  
One Ropemaker Street  
London EC2Y 9SS

**Walker Morris**

Kings Court  
12 King Street  
Leeds LS1 2HL

**Weil, Gotshal & Manges**

110 Fetter Lane  
London EC4A 1AY

# Financial review



## Summary

In April 2016 we launched our new strategy setting out what we would do over the next five years to bring us closer to ending cruelty to children. Our work in 2016/17 has been undertaken in the context of a challenging economic environment. Our goal is always to do the most for children with the resources available to us and in 2016/17 we have reached approximately 80 per cent more children with marginally less income than we raised last year. We have learnt that benefit for children and families from our service centre work is more likely where these are resourced sufficiently to develop strong relationships with local partners. So in August 2016, we took the difficult decision to reduce the number of locations delivering direct services, concentrating our efforts to greater effect both locally and beyond. At the same time this enabled us to allocate resources to other urgent priorities, notably in strengthening our ability to transfer knowledge effectively and build our efforts to improve child safety online. The closure programme was undertaken in 2016 with sensitivity and respect to our staff and the children and families we were working with in those locations. We worked to ensure we finished all our work safely with all the children where we had open cases.

These restructuring actions necessary to support the delivery of our strategic objectives has meant that we have incurred £5.8 million of one-off costs this year related to restructuring and the write down of property and equipment. These actions have however ensured that we are able to plan for the achievement of our objectives in the longer term.

Our plans for the future have been set in the context of a challenging economic climate and a difficult time for the charity sector as a whole. Following intense media and government scrutiny over fundraising practices we suspended some of our marketing activities in 2015/16 and this continued into the first part of 2016/17 as we ensured that everything we or our partners do meets the expectation of our supporters and the public at large. This resulted in reduced expenditure on TV advertising and volumes of mailings to our supporters. As a consequence of these actions, expenditure on raising donations and legacies reduced by £1.2 million to £19.2 million (2016: £20.4 million), and expenditure on other trading activities reduced by £0.9 million to £4.5 million (2016: £5.4 million). As a result we are now better placed to serve our highly valued supporters without whose help we could not carry out our vital work of protecting children from abuse. We have provided a detailed section on our relationship with donors and funders on page 47.

We always work to ensure that we have adequate reserves so that we are able to sustain our obligations to the children and young people we work with. This year despite having a surplus before a FRS 102 pension adjustment the change in the discount rate led to a pension charge of £21.0 million, reducing our reserves to £70.1 million. However this remains within the target range of three to five months' forward expenditure.

Despite the challenges we have faced our charitable expenditure ratio was maintained at over 79 per cent of our total expenditure\* although a reduction in monetary terms to £91.0 million (2016: £98.2 million).

## How we helped children

This year we have reached 1,802,500 children, approximately 80 per cent more than last year, due in large part to the incredible success of our schools service. We achieved this with total expenditure for the year of £121.1 million (2016: £126.4 million).

Our schools service visited over 7,800 schools (2016: 8,416) reaching over 1,600,000 children (2016: 765,958 children) talking to them about how they can stay safe. We increased the number of children reached by expanding the age range of children we talked to. We delivered over 295,000 counselling sessions through Childline (2016: 300,000). This year we spent £20.3 million on Childline and the schools service (2016: £21.1 million). Through our Doing More for Children programme we have been implementing changes to the way we work to further improve the quality of our services and increase the capacity of our helplines, developing new practices and responding to changes in the way children contact us with the support of new technology. Whilst we consulted on potential staffing implications associated with the Doing More for Children programme we implemented a recruitment freeze. The recruitment freeze contributed to our underspend however active recruitment is now underway to enable us to deliver even more counselling sessions in future years. This year also saw the launch of our new Childline website - which you can read more about on page 24.

During the year, our helpline responded to over 66,000 contacts in relation to child welfare, our highest ever number (2016: 54,865). We continue to run helplines in response to particular topics and issues, and this year's helplines included a dedicated line following the revelations about historic child abuse in football. This year we spent £22.7 million on child protection advice and awareness (2016: £25.9 million).

This year our focus has been on targeting awareness in the area of online safety. This included our Net Aware tool – which you can read more about on page 37. Following our increased presence on television through Alfie the Astronaut and our online safety partnership with O2, we have scaled down expenditure on established television campaigns. This year also saw the launch of a brand new song and animated film featuring Pantosaurus, carrying on the from our award-winning Talk PANTS campaign – which you can read more about on page 18.

As anticipated the number of adults and children we have worked with directly through our service centres reduced to just over 8,000 (2016: 10,644), primarily due to the restructuring actions which included the decision to cease the delivery of intensive services in nine of our locations and to restructure the delivery of services in London. This has released capacity to encourage scale up of those services by others beyond the NSPCC itself. This year we spent £43.8 million (2016: £47.0 million) on services for children and families.

We have been developing a range of e-learning products to resource and equip the organisations and professionals that we work with to better protect children. This year we spent £4.2 million on child protection consultancy (2016: £4.1 million).

Our efforts over the years to streamline all that we do have enabled us to continually reduce support costs, which in 2012 were 7.0 per cent of our total expenditure and are now 4.6 per cent at £5.6 million (2016: £5.9 million, 4.7 per cent). Support costs are now required to include expenditure on governance activities of £0.5 million (2016: £0.6 million), and have been restated accordingly for the five years shown in the table below. Governance costs include the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements and strategic planning.

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Support costs	5,627	5,979	6,356	6,377	6,578
% Total expenditure	4.6%	4.7%	5.0%	5.0%	5.4%

## How you gave your help

This year our total income reduced by £1.5 million to £127.4 million (2016: £128.9 million). Continued challenges in the fundraising regulatory environment have impacted on our income from donations but this has been offset by another strong year for legacy income, and an increase in income received from charitable activities through grants, contracts and fees.

Overall income from donations and legacies fell by £3.0 million to £103.9 million (2016: £106.9 million). Income from individual giving including regular donations reduced by £5.1 million to £58.8 million (2016: £63.9 million), continuing the decline experienced over recent years, with the number of committed regular giving relationships reducing to 570,000 (2016: 612,000) which was 0.5 per cent below the expected level of 573,000. Acquiring new donors is becoming more expensive meaning that we have withdrawn from or scaled down a number of acquisition channels. As a result we acquired over 7,000 new regular donors this year, a reduction of 22,000 (2016: over 29,000). We are exploring a variety of new ways to encourage the public to support our vital work to supplement our historical means of raising voluntary income. Nevertheless, income from legacies proved exceptional again this year increasing by £1.7 million to £25.1 million (2016: £23.4 million). Other voluntary income streams also increased by £0.4 million in aggregate.

Income from trading activities increased slightly by £0.1 million to £9.7 million (2016: £9.6 million). Although income from fundraising events reduced by £0.5 million, as overall these events raised less income than last year, income from the sale of goods and other activities increased by £0.6 million, primarily due to an additional £0.4 million received through our partnership with O2 – which you can read more about on page 37.

Income from charitable activities, received primarily from government and other statutory sources, through grants and contracts, increased by £1.3 million to £12.7 million (2016: £11.4 million). We received £0.8 million additional funding from statutory performance related grants, primarily due to increased funding for Blackpool Better Start. We also received an additional £0.4 million within non-statutory performance related grants from UEFA funding child protection in sport.

Although we have received more income from our charitable activities this year, income from supporters (donations and legacies, and other

trading activities) at 89.2 per cent (2016: 90.5 per cent) of total income received continues to illustrate the clear mandate we hold to act on behalf of the public to protect children. We would like to thank all of our supporters for their commitment to the cause and their passion for what we do, which leads them to give generously in so many ways.

## Reserves

Total funds now stand at £70.1 million, a decrease of £14.6 million compared to last year. We aim to retain sufficient general funds in a range equivalent to approximately three to five months' forward expenditure. These general reserves are held in case of any sudden decline in income so that we can honour our commitments to children and young people by ensuring that contractual obligations to staff, premises and funding partners can be made with some confidence. At 31 March 2017 unrestricted general funds were at £61.8 million (2016: £53.1 million), however the actuarial valuation has resulted in a pension deficit and a negative pension reserve of £21.0 million (2016: nil). Further details on pensions are given in the pensions section below. Our combined unrestricted general funds, including the pension reserve, at £40.8 million (2016: £53.1 million) were equivalent to 4.0 months forward expenditure (2016: 5.0 months).

At 31 March 2017 designated funds were £19.2 million (2016: £22.1 million). Designated funds are funds set aside by the trustees out of general funds to cover the value of property fixed assets held, which includes freehold and leasehold properties, or to fund specific future purposes or projects. Currently the designated fund balance relates to property fixed assets, with a land value of £1.3 million and depreciating property assets of £17.9 million. The remaining average depreciation time for these property assets is 26 years.

At 31 March 2017 restricted funds were £8.6 million (2016: £8.2 million). Restricted funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Of the restricted funds represented by tangible fixed assets, £6.1 million relates to freehold and leasehold property, with a land value of £0.8 million and depreciating assets of £5.3 million with a remaining average depreciation time of 36 years. A further £1.1 million relates to development software intangible fixed assets with a remaining average depreciation time of four years. Included in restricted funds is a further £0.1 million which relates to restricted donations to be spent on

intangible fixed asset development software. The remaining balance of restricted funds at 31 March 2017 represents unspent restricted income of £1.3 million predominantly for Childline and our schools service which will be used to fund future activities.

## Investments and cash

### Investment policy

The trustees have wide investment powers set out in the Royal Charter and by-laws. The trustees have delegated their responsibilities for investments to the finance committee. This approach is outlined below. The committee are currently undertaking a comprehensive review of this policy balancing both risk and return as well as reviewing opportunities to further enhance ethical screening of investments.

Investments may be made in any share or bond, unless the underlying activity of the company or institution concerned is in direct conflict with the aims of the NSPCC. Trustees accept that investing in pooled funds will restrict their ability to fully apply an ethical investment policy. Management will, however, remain vigilant of issues that might affect the NSPCC and bring them to the attention of our investment managers.

Investments are held to complement and support the reserves policy, requiring funds to be available at short notice to deal with a significant and sudden fall in income. The main investment objective is to protect capital and to invest in liquid assets. In order to limit the risk, the aggregated exposure to a single fund manager should not exceed £12 million and in relation to investments made in bonds and equities, the NSPCC shall not be exposed to a single counterparty risk in excess of £5 million.

At 31 March 2017 all of our investments were held in cash or fixed interest bonds, available for short term access. A total of £27.9 million was held in fixed interest bonds (2016: £27.4 million), and £39.4 million was held in bank deposits (2016: £30.8 million), including £12.0 million held as current investments (2016: £11.5 million). The cash investments held are placed on deposit in accordance with our investment policy, with a minimum of £12 million being available on request. The remaining cash balance is either available on demand or placed for a maximum

period of 12 months. The overall return on cash investments for the year ending 31 March 2017 was 0.4 per cent (2016: 0.6 per cent).

The table opposite shows the performance of our bond investments at 31 March 2017:

## Pensions

We provide a group personal pension which is a defined contribution pension scheme available to all staff, operated by Aviva. We also operate a defined benefit scheme. The non-contributory section was closed to new members on 1 July 2002, and the contributory section was closed to new members on 1 July 2008. The full scheme was closed to future accrual on 31 December 2009; on closure members of the scheme had the opportunity to join the defined contribution scheme.

The valuation of the defined benefit pension scheme is based on the latest triennial actuarial valuation as at 31 March 2015, and this showed a deficit of £17.0 million. We have agreed with the scheme trustees that we will aim to eliminate the deficit over a period of seven years and nine months from 5 April 2015 by the payment of £1 million per annum until 31 March 2017 and £2 million per annum from 1 April 2017 to 31 December 2022. These contributions include £0.4 million per annum as an allowance in respect of levies to the Pensions Protection Fund, scheme management and administration expenses. The recovery plan also agreed balloon payments of £3.5 million in September 2018 and £3.3 million in September 2021, in the event that the deficit assessed at 31 March 2018 or 31 March 2021 exceeds the expected deficit based on the statement of funding principles dated 22 September 2016. The trustees consider that the pension deficit is recoverable from future cash flows.

The basis of calculating a pension surplus and deficit for funding purposes is different to the basis that needs to be adopted to determine an accounting valuation under FRS 102. The FRS 102 valuation as at 31 March 2017 showed assets of £169.3 million with liabilities of £190.4 million giving a deficit of £21.0 million (2016: a surplus of £8.6 million). The large swing from an accounting surplus to an accounting deficit is primarily attributable to the reduction in corporate bond yields which reduced the discount rate required by the accounting standard in the annual FRS 102 valuation calculation.

Investment fund	Investment objective	Fund value 31 March 2017 £'000	Yield %	Total return % (net of fees)	Benchmark %	Variance %	Benchmark used
<b>Henderson Preference and Bond Fund</b>	To remain competitive with other investment funds comprised in the peer group used as the Performance Benchmark for this Asset Class.	4,667	4.1	8.6	N/A	N/A	N/A <sup>†</sup>
<b>M&amp;G Corporate Bond Fund, Sterling I class</b>	To achieve a higher total return from investment than would be obtainable in UK government fixed interest securities (i.e. gilts) of similar maturities.	11,566	3.68	7.62	8.88	(1.26)	IA £ Corporate Bond sector
<b>UBS NSPCC Bond Fund</b>	To adhere to NSPCC set criteria for required ratings of investments, exposure to single issuer and maximum duration.	11,698	1.8	0.73	0.44	0.29	3 month LIBOR

<sup>†</sup>Henderson Preference and Bond Fund 'I' Inc. – no formal benchmark – peer group comparison, i.e. “UK Other Bonds” sector according to the “Sector Definitions and Classifications” of the Investment Management Association; performance figures of the peer group will be those available on the website of Morningstar or any comparable alternative service.

## Going concern

We have outlined the charity’s financial position and performance in the financial review above. We have assessed projected future income, expenditure and cash flows over the period to 31 March 2019, and analysed the strength of the charity’s reserves, liquid assets and its ability to withstand a material fall in income. We have considered donor attrition rates and the stability and diversity of various income streams in making this assessment, particularly in light of the fundraising challenges experienced in the past year.

We have concluded that there is a reasonable expectation that the charity and its subsidiaries have adequate resources to continue their activities for the foreseeable future. Therefore we have continued to adopt the going concern basis in preparing the financial statements.



**Mark Wood**

Chairman

13 July 2017

*\*Expenditure on charitable activities is 79.3 per cent (2016: 79.2 per cent) of total expenditure excluding other expenditure.*

# Independent auditor's report to the trustees of the NSPCC

We have audited the financial statements of the National Society for the Prevention of Cruelty to Children (NSPCC) for the year ended 31 March 2017 which comprise Consolidated Statement of Financial Activities, the NSPCC and Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011, regulations made under section 154 of that Act, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Royal Charter.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, handwritten font followed by "LLP" in a simpler, uppercase font.

### Deloitte LLP

Statutory Auditor  
London, United Kingdom  
13 July 2017

*Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.*

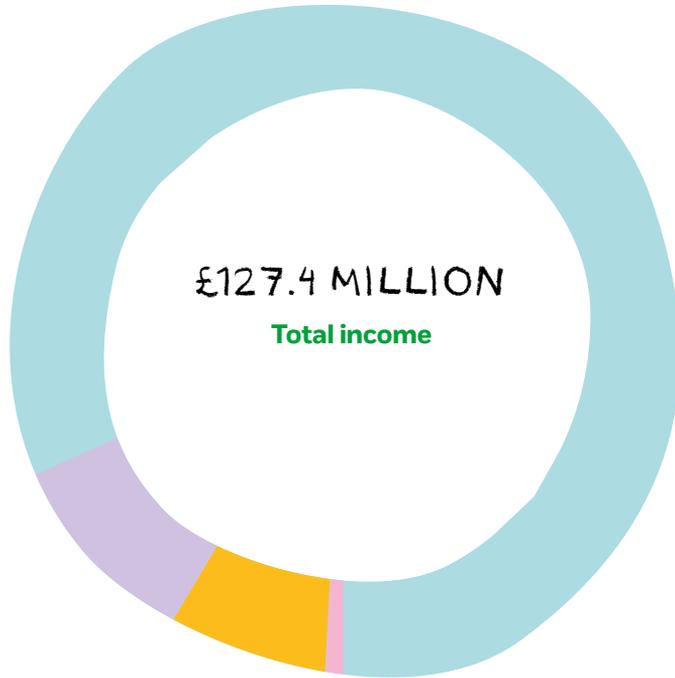
# How you gave your help

**£103.9 MILLION**  
**(81.6%)**

## Donations and legacies

Voluntary donations made by our supporters on a regular or one-off basis, including grants which do not have performance-conditions attached.

*(£106.9 million in 2016)*



**£12.7 MILLION**  
**(10.0%)**

## Income from carrying out our charitable work

Income which we receive in the course of carrying out our charitable work. For example income received from service level agreements with local authorities; government grants; and income received from provision of training and education in child protection to professional groups.

*(£11.4 million in 2016)*

**£9.7 MILLION**  
**(7.6%)**

## Other trading activities

Activities undertaken for the purpose of raising funds to support our charitable work. For example dinners and balls, auctions, challenge events, sale of Christmas cards and allowing commercial organisations to use our name and logo in their marketing activity.

*(£9.6 million in 2016)*

**£1.1 MILLION**  
**(0.8%)**

## Investment Income

Income received from our bank accounts and investment holdings.

*(£1.0 million in 2016)*

# How we helped children

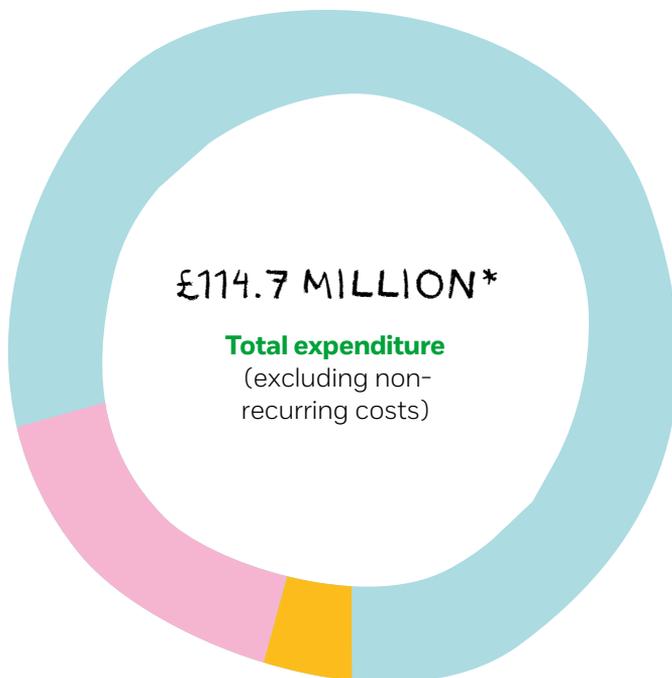
**£91.0 MILLION**  
**(79.4%)**

## Charitable expenditure

The cost of undertaking direct charitable activities, which are defined under the following headings:

*(£98.2 million in 2016)*

- Services for children and families £43.8 million *(£47.0 million in 2016)*
- Childline and the Schools Service £20.3 million *(£21.1 million in 2016)*
- Child protection advice and awareness £22.7 million *(£25.9 million in 2016)*
- Child protection consultancy £4.2 million *(£4.1 million in 2016)*



**£19.2 MILLION**  
**(16.7%)**

## Raising donations and legacies

The cost of receiving voluntary donations, attracting new supporters and ongoing supporter care.

*(£20.4 million in 2016)*

**£4.5 MILLION**  
**(3.9%)**

## Other trading activities

The cost of fundraising events, attracting support for our weekly lottery and other trading activities to raise funds to support our work.

*(£5.4 million in 2016)*

**£6.4 MILLION**  
**Other\***

Other costs incurred which are of a one-off nature.

*(£2.4 million in 2016)*

\* Total expenditure was £121.1 million (£126.4 million in 2016) including other expenditure of £6.4 million (£2.4 million in 2016). These costs have been excluded from the figures presented above as they are non-recurring.

# NSPCC Consolidated Statement of Financial Activities

for the year ended 31 March 2017

	Notes	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
<b>Income from:</b>					
Donations and legacies	3	91,115	12,783	103,898	106,871
Charitable activities	4	4,162	8,511	12,673	11,427
Other trading activities	3	7,226	2,463	9,689	9,554
Investments	3	1,061	6	1,067	966
Other	5	80	-	80	94
<b>Total income</b>		<b>103,644</b>	<b>23,763</b>	<b>127,407</b>	<b>128,912</b>
<b>Expenditure on:</b>					
Raising donations and legacies	6	19,138	22	19,160	20,367
Other trading activities	6	4,508	2	4,510	5,380
Investment management costs	6	123	3	126	104
<b>Raising funds</b>		<b>23,769</b>	<b>27</b>	<b>23,796</b>	<b>25,851</b>
<b>Net income available for charitable application</b>		<b>79,875</b>	<b>23,736</b>	<b>103,611</b>	<b>103,061</b>
<b>Expenditure on:</b>					
Services for children and families		34,880	8,913	43,793	47,031
Childline and the Schools Service		7,448	12,828	20,276	21,107
Child protection advice and awareness		22,049	609	22,658	25,910
Child protection consultancy		3,327	903	4,230	4,145
<b>Charitable activities</b>	<b>6</b>	<b>67,704</b>	<b>23,253</b>	<b>90,957</b>	<b>98,193</b>
Other	6	6,334	37	6,371	2,400
<b>Total expenditure</b>		<b>97,807</b>	<b>23,317</b>	<b>121,124</b>	<b>126,444</b>
<b>Net income before investment gains / (losses)</b>		<b>5,837</b>	<b>446</b>	<b>6,283</b>	<b>2,468</b>
Net gains / (losses) on investments	14	563	15	578	(516)
<b>Net income</b>		<b>6,400</b>	<b>461</b>	<b>6,861</b>	<b>1,952</b>
<b>Other recognised losses:</b>					
Actuarial losses on defined benefit pension scheme	21	(21,491)	-	(21,491)	(571)
<b>Net movement in funds</b>		<b>(15,091)</b>	<b>461</b>	<b>(14,630)</b>	<b>1,381</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		75,154	9,558	84,712	83,331
<b>Total funds carried forward</b>		<b>60,063</b>	<b>10,019</b>	<b>70,082</b>	<b>84,712</b>

The net gains on investments shown under Restricted & endowment funds are attributable to permanent endowment investments and along with the allocation of investment management fees are the only movements on the Permanent endowment fund. All other income and expenditure relates to restricted funds. Details of the Permanent endowment fund are given within notes 23 and 24.

There were no other recognised gains and losses other than those listed above and the net income for the year. All income relates to continuing operations.

The Consolidated Statement of Financial Activities with fund comparatives is detailed within note 2.

# NSPCC and Consolidated Balance Sheets

as at 31 March 2017

	Notes	Group		Charity	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed assets</b>					
Tangible assets	12	27,024	31,048	27,024	31,048
Intangible assets	12	5,347	3,488	5,347	3,488
Investments	14	55,292	46,745	55,292	46,745
<b>Total fixed assets</b>		<b>87,663</b>	<b>81,281</b>	<b>87,663</b>	<b>81,281</b>
<b>Current assets</b>					
Debtors	15	10,799	11,343	10,808	11,262
Investments	16	12,030	11,458	12,030	11,458
Cash at bank and in hand	16	1,408	988	1,204	833
<b>Total current assets</b>		<b>24,237</b>	<b>23,789</b>	<b>24,042</b>	<b>23,553</b>
Creditors: Amounts falling due within one year	17	(14,809)	(16,428)	(14,644)	(16,222)
<b>Net current assets</b>		<b>9,428</b>	<b>7,361</b>	<b>9,398</b>	<b>7,331</b>
<b>Total assets less current liabilities</b>		<b>97,091</b>	<b>88,642</b>	<b>97,061</b>	<b>88,612</b>
Creditors - amounts falling due after one year	18	(673)	-	(673)	-
Provisions for liabilities	19	(5,327)	(3,930)	(5,327)	(3,930)
<b>Net assets excluding pension scheme liability</b>		<b>91,091</b>	<b>84,712</b>	<b>91,061</b>	<b>84,682</b>
Defined benefit pension scheme liability	21	(21,009)	-	(21,009)	-
<b>Total net assets</b>		<b>70,082</b>	<b>84,712</b>	<b>70,052</b>	<b>84,682</b>
<b>Total funds</b>					
Endowment funds	23	1,403	1,391	1,403	1,391
Restricted income funds	23	8,616	8,167	8,616	8,167
<i>Unrestricted funds:</i>					
Designated funds	23	19,240	22,055	19,240	22,055
General funds	23	61,832	53,099	61,802	53,069
<i>Unrestricted funds excluding pension liability</i>		<b>81,072</b>	<b>75,154</b>	<b>81,042</b>	<b>75,124</b>
Pension reserve	23	(21,009)	-	(21,009)	-
<i>Total unrestricted funds</i>		<b>60,063</b>	<b>75,154</b>	<b>60,033</b>	<b>75,124</b>
<b>Total funds</b>		<b>70,082</b>	<b>84,712</b>	<b>70,052</b>	<b>84,682</b>

The accompanying notes form part of these accounts.

Approved by the Board of Trustees on 13 July 2017 and signed on its behalf by



**Mark Wood**  
Chairman



**John Worth**  
Treasurer

# Consolidated Cash Flow Statement

for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	a	11,139	3,517
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		1,067	966
Proceeds from the sale of tangible and intangible fixed assets		80	245
Purchase of tangible and intangible fixed assets		(3,325)	(2,256)
Proceeds from sale of investments		31,156	14,426
Purchase of investments		(39,125)	(12,325)
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,147)</b>	<b>1,056</b>
Change in cash and cash equivalents in the reporting period		992	4,573
Cash and cash equivalents at the beginning of the reporting period	b	12,446	7,873
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>b</b>	<b>13,438</b>	<b>12,446</b>
<b>Notes to the cash flow statement</b>			
		<b>2017 £'000</b>	<b>2016 £'000</b>
<b>a. Reconciliation of net income to net cash flow from operating activities</b>			
Net income		6,861	1,952
Adjustments for:			
Depreciation and amortisation charges		3,375	3,735
Impairment charges		2,114	-
(Gains)/losses on investments		(578)	516
Dividends and interest from investments		(1,067)	(966)
Profit on the sale of tangible and intangible fixed assets		(80)	(94)
Decrease in debtors		545	224
(Decrease) in creditors		(946)	(1,080)
Increase/(decrease) in other provisions		1,397	(199)
Difference between pension contributions paid and charges made		(482)	(571)
<b>Net cash provided by operating activities</b>		<b>11,139</b>	<b>3,517</b>
<b>b. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		1,408	988
Current investments		12,030	11,458
<b>Total cash and cash equivalents</b>		<b>13,438</b>	<b>12,446</b>

# Notes to the Consolidated Accounts

for the year ended 31 March 2017

## 1. Accounting policies

### 1.1 Basis of accounting

The NSPCC is a public benefit entity. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts are prepared under the historical cost convention as modified for the revaluation of investments.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

After making enquiries, the trustees have a reasonable expectation that the Society and its subsidiaries have adequate resources to continue their activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 1.2 Consolidated accounts

The results of NSPCC Trading Company Limited (the "Trading Company") and Childline, which are wholly-owned subsidiaries, have been consolidated on a line-by-line basis in the Statement of Financial Activities (SOFA) and Balance Sheet. A summary of the results of the parent charity are given within note 11.

Where Childline is used to describe part of charitable income or expenditure by activity, this does not refer to the results of the statutory entity. Childline the entity exists to receive legacy income otherwise not receivable by the NSPCC. Childline the charitable activity provides support and advice to ensure that every child is listened to and protected.

NSPCC Pension Scheme Limited, a wholly owned subsidiary, has not been consolidated. The company acts solely as a corporate trustee of the NSPCC Pension Scheme, does not trade on its own behalf and has no assets or liabilities.

### 1.3 Principal accounting estimates and judgements

In the application of the Charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates, along with their underlying assumptions, are continually reviewed. The matters below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported:

- Legacy income recognition: Income from pecuniary and residuary legacies are recognised when there is entitlement and the income is measurable and probable as detailed within accounting policy 1.5.
- Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy 1.6.
- Actuarial assumptions: See detailed disclosure within note 21.

## 1. Accounting policies (continued)

- Dilapidations: During the year the Society completed a full review of the potential liability in relation to dilapidations at the end of the lease. The provision is calculated based on average historic landlord claim experience. The movement on the provision reflects both changes in the average landlord claims and changes in properties occupied by the Society.
- Bad Debt provision: Specific provisions are made where it is unlikely that the Society will receive payment. A provision is also made against debtors over 60 days old with a provision against 25 per cent of the balance for debtors between 60 and 120 days and 50 per cent of the balance for debtors over 120 days.

### 1.4 Financial instruments and financial liabilities

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of fixed asset investments.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the 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.

### 1.5 Income

All income is accounted for in the SOFA when the Charity is legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy.

For pecuniary legacies the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which

allows the legacy to be measured with reasonable accuracy. Income is not recognised for legacies which remain subject to a life interest.

Income received from fundraising activities organised by volunteer groups operating under the Charity's control is in many cases received net of related expenditure. An estimate of the expenditure has been calculated according to payments made out of the branch bank accounts and returns sent from the volunteer groups. Income and expenditure have been increased by this amount. The trustees have concluded that this is a reasonable estimate to use given the cost and administrative effort involved to account for the actual gross branch income.

Gifts in kind and donated services have been included at the lower of their value to the Society and their estimated open market value. No amount has been included for services donated by volunteers.

All grants and contractual payments are included on a receivable basis. Contract income is recognised as performance obligations are satisfied. Grant income with performance related conditions received in advance of delivering specified goods and services, or income with a time restriction placed on it by the donor, is deferred until the donor stipulated criteria are met. Income is also deferred if it is probable it could become refundable. Income from contracted services and performance related grants generated through the delivery of goods and services furthering the objects of the Charity is included under income from charitable activities.

### 1.6 Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Charitable activities expenditure enables the Society to meet its charitable aims and objectives. Expenditure on raising funds includes expenditure incurred in raising donations and legacies, other trading activities and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Expenditure is apportioned where it relates to more than one cost category, such as communication with the public around child

protection advice and awareness with the parallel purpose of encouraging potential donors to contribute funds to the Society. The method of apportionment uses the most appropriate basis in each case. Marketing activities with the dual purpose of generating funds and informing the public about child protection are allocated based on content. An analysis of the split between directly attributable costs and allocated costs incurred for fundraising activities and child protection advice and awareness is detailed within note 7.

Support costs are those costs which enable raising funds and charitable activities to be undertaken. These costs include finance, human resources, information systems, communications, property management, legal costs, and governance costs. All support costs are apportioned on the basis of full time equivalent staff numbers, except costs relating to information systems which are apportioned based on the number of computers and laptops in use.

Redundancy costs are recognised when there is a legal or constructive obligation. Employment related costs and redundancy costs are detailed within note 9.

Any irrecoverable VAT is included as part of the cost to which it relates. The amount suffered in the year is detailed within note 6.

### 1.7 Fund Accounting

*General funds* - these are funds given freely to the organisation that can be applied at the discretion of the trustees in accordance with the Society's charitable objects.

*Designated funds* - these are funds set aside by the trustees out of general funds, to cover the value of property fixed assets held, or to fund specific future purposes or projects.

*Restricted funds* - these are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds.

*Endowment funds* - these are funds where the assets must be held permanently by the charity, principally in the form of investments. Endowment funds are not shown separately on the SOFA on the basis of materiality but are detailed within note 23. Income received from endowments is added to the appropriate fund in accordance with any restriction placed upon it. Any capital gains or losses arising on the investments form part of the fund.

Further explanation of the nature and purpose of each fund is detailed within note 23.

### 1.8 Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost. Depreciation and amortisation is calculated to write off the cost of fixed assets by equal annual instalments over their expected useful lives as follows:

*Freehold property* - 50 years

*Leasehold property* - the shorter of the lease term or 50 years

*Furniture, fittings and equipment* - 5 years

*Major software development* - 5 years

*Other computer software and hardware* - 2 years

No depreciation is provided on freehold land.

Tangible and intangible fixed assets costing less than £2,000 are not capitalised, and are written off in the year of purchase.

Major software development is any system with a capital cost in excess of £250,000.

Impairment reviews are conducted on an annual basis. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

### 1.9 Investments

Other than investments in subsidiaries, which are stated at cost, and donated shares as in the paragraph below, investments are stated at fair value (market value) through profit and loss.

Donated shares that come with a requirement that they be held for a fixed period or are infrequently traded are included in the balance sheet at the lower of market value if available and a value assessed by the trustees. This value is reviewed by the trustees at each balance sheet date.

Realised and unrealised gains and losses are combined in the appropriate section in the statement of financial activities.

## 1. Accounting policies (continued)

### 1.10 Pension costs

The NSPCC defined benefit scheme is closed to new entrants and to further accrual. The assets of the scheme are held separately from those in the group, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. Whilst the scheme includes a provision to allow the Society to claim a refund after the payment of all outstanding benefits, the scheme trustees retain full discretion over whether to grant such a refund and may instead apply any balance of assets to augment members' benefits. As such, the Society does not recognise an asset in respect of potential future refunds. Full actuarial valuations are obtained triennially.

The amounts charged in expenditure are gains and losses on settlements and curtailments. These are included as part of staff costs together with losses and gains due to benefit changes which are recognised immediately if the benefits have vested. The net amount of interest cost and the discount rate applied to the assets are included within other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately under Other recognised gains and losses.

Costs incurred in relation to the defined contribution scheme are included in staff pension costs. Costs recognised are equivalent to the contributions in the year and are recognised on an accruals basis and any unsettled amounts are included in other creditors.

### 1.11 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

### 1.12 Tax

The NSPCC as a registered charity is exempt from tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. No corporation tax charge has arisen in the Charity's subsidiaries due to their policy of gifting all the taxable profits to the NSPCC in the year.

### 1.13 Cash flow

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

## 2. Consolidated Statement of Financial Activities with fund comparatives

	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2017 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2016 £'000
<b>Income from:</b>						
Donations and legacies	91,115	12,783	103,898	97,144	9,727	106,871
Charitable activities	4,162	8,511	12,673	4,194	7,233	11,427
Other trading activities	7,226	2,463	9,689	5,035	4,519	9,554
Investments	1,061	6	1,067	961	5	966
Other	80	-	80	94	-	94
<b>Total income</b>	<b>103,644</b>	<b>23,763</b>	<b>127,407</b>	<b>107,428</b>	<b>21,484</b>	<b>128,912</b>
<b>Expenditure on:</b>						
Raising donations and legacies	19,138	22	19,160	20,290	77	20,367
Other trading activities	4,508	2	4,510	5,374	6	5,380
Investment management costs	123	3	126	101	3	104
<b>Raising funds</b>	<b>23,769</b>	<b>27</b>	<b>23,796</b>	<b>25,765</b>	<b>86</b>	<b>25,851</b>
<b>Net income available for charitable application</b>	<b>79,875</b>	<b>23,736</b>	<b>103,611</b>	<b>81,663</b>	<b>21,398</b>	<b>103,061</b>
<b>Expenditure on:</b>						
Services for children and families	34,880	8,913	43,793	38,779	8,252	47,031
Childline and the Schools Service	7,448	12,828	20,276	10,515	10,592	21,107
Child protection advice and awareness	22,049	609	22,658	24,230	1,680	25,910
Child protection consultancy	3,327	903	4,230	3,359	786	4,145
<b>Charitable activities</b>	<b>67,704</b>	<b>23,253</b>	<b>90,957</b>	<b>76,883</b>	<b>21,310</b>	<b>98,193</b>
Other	6,334	37	6,371	2,400	-	2,400
<b>Total expenditure</b>	<b>97,807</b>	<b>23,317</b>	<b>121,124</b>	<b>105,048</b>	<b>21,396</b>	<b>126,444</b>
<b>Net income before investment gains/(losses)</b>	<b>5,837</b>	<b>446</b>	<b>6,283</b>	<b>2,380</b>	<b>88</b>	<b>2,468</b>
Net gains/(losses) on investments	563	15	578	(501)	(15)	(516)
<b>Net income</b>	<b>6,400</b>	<b>461</b>	<b>6,861</b>	<b>1,879</b>	<b>73</b>	<b>1,952</b>
<b>Other recognised losses:</b>						
Actuarial losses on defined benefit pension scheme	(21,491)	-	(21,491)	(571)	-	(571)
<b>Net movement in funds</b>	<b>(15,091)</b>	<b>461</b>	<b>(14,630)</b>	<b>1,308</b>	<b>73</b>	<b>1,381</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	75,154	9,558	84,712	73,846	9,485	83,331
<b>Total funds carried forward</b>	<b>60,063</b>	<b>10,019</b>	<b>70,082</b>	<b>75,154</b>	<b>9,558</b>	<b>84,712</b>

### 3. Analysis of income from raised funds

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Donations and legacies:</b>		
Individual giving including regular donations	58,755	63,889
Legacies	25,079	23,350
Regional and community fundraising	9,240	8,334
Corporates, trusts and major donors	7,527	8,379
Schools fundraising	2,288	2,093
Other donations and gifts	1,009	826
<b>Total</b>	<b>103,898</b>	<b>106,871</b>
<b>Other trading activities:</b>		
Fundraising events	6,251	6,787
Sale of goods and other activities*	3,438	2,767
<b>Total</b>	<b>9,689</b>	<b>9,554</b>
<b>Investments:</b>		
Dividends - UK	2	-
Interest	1,065	966
<b>Total</b>	<b>1,067</b>	<b>966</b>

\*Other activities include sponsorship, promotions, training, sundry sales, lotteries and rental income, none of which are individually material.

Donated goods and services amounted to £509,000 (2016 £581,000), of which £383,000 (2016 £389,000) has been recognised within Other donations and gifts and £126,000 (2016 £192,000) within Corporates, trusts and major donors.

Donations and legacies includes £288,000 (2016 £3,000) income received for a capital purpose recognised within Other donations and gifts.

Income from donations and legacies includes £6,739,000 from non-performance related grants (2016 £6,485,000), of which £1,126,000 are government grants (2016 £1,497,000). There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year. None of the income received from government grants has been used to fund political campaigning.

Although required to disclose the aggregate donated by trustees the Society recognises that all of our trustees give their time on a voluntary basis and make valuable non-financial contributions. Total trustee donations of £75,000 (2016 £22,000) have been received in the year, of which £38,000 (2016 £5,000) was restricted. Included in fundraising events is £15,000 (2016 £19,000) income reflecting trustee support for other trading activities (such as the purchase of tickets).

## 4. Analysis of income from charitable activities

Income raised by the following child protection activities:

	Statutory funding		Non-Statutory funding		Total 2017 £'000	Total 2016 £'000
	Contracts and fees £'000	Performance related grants £'000	Contracts and fees £'000	Performance related grants £'000		
Services for children and families	1,726	4,100	349	-	6,175	4,137
Childline and the Schools Service	-	2,011	6	-	2,017	1,854
Child protection advice and awareness	442	333	40	-	815	1,167
Child protection consultancy	71	618	2,401	576	3,666	4,269
<b>Total</b>	<b>2,239</b>	<b>7,062</b>	<b>2,796</b>	<b>576</b>	<b>12,673</b>	<b>11,427</b>

Statutory funding includes income received from government, government agencies and similar bodies whether local, national or international.

Income from charitable activities includes £7,638,000 from performance related grants (2016 £6,367,000), of which £7,062,000 are government grants (2016 £6,213,000). There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year. Other forms of government assistance include income from statutory contracts and fees of £2,239,000 (2016 £2,210,000). None of the income received from government grants has been used to fund political campaigning.

Statutory contracts and fees include donated services and facilities under service level agreements (SLAs) of £94,000 (2016 £74,000) in respect of staff secondments, and £15,000 (2016 £36,000) in respect of premises and other facilities which have been recognised as gifts in kind.

Statutory performance related grants include £nil (2016 £13,000) income received for a capital purpose.

## 5. Analysis of other income

	2017 £'000	2016 £'000
Profit from sale of tangible and intangible fixed assets	80	94
<b>Total</b>	<b>80</b>	<b>94</b>

## 6. Analysis of total expenditure

	Notes	Direct Costs £'000	Support Costs £'000	Total 2017 £'000	Total 2016 £'000
<b>Expenditure on raising funds:</b>					
<b>Expenditure on raising donations and legacies:</b>					
Individual giving including regular donations		6,649	160	6,809	8,231
Legacies		1,490	58	1,548	1,711
Regional and community fundraising		5,351	222	5,573	5,753
Corporates, trusts and major donors		3,660	150	3,810	3,292
Schools fundraising		1,081	80	1,161	875
Other donations and gifts		246	13	259	505
<b>Total</b>		<b>18,477</b>	<b>683</b>	<b>19,160</b>	<b>20,367</b>
<b>Expenditure on other trading activities:</b>					
Fundraising events		3,364	144	3,508	3,980
Sale of goods and other activities		975	27	1,002	1,400
<b>Total</b>		<b>4,339</b>	<b>171</b>	<b>4,510</b>	<b>5,380</b>
Investment management costs		126	-	126	104
<b>Total expenditure on raising funds</b>	<b>7</b>	<b>22,942</b>	<b>854</b>	<b>23,796</b>	<b>25,851</b>
<b>Expenditure on charitable activities:</b>					
Services for children and families		41,463	2,330	43,793	47,031
Childline and the Schools Service		19,075	1,201	20,276	21,107
Child protection advice and awareness	7	21,621	1,037	22,658	25,910
Child protection consultancy		4,025	205	4,230	4,145
<b>Total expenditure on charitable activities</b>		<b>86,184</b>	<b>4,773</b>	<b>90,957</b>	<b>98,193</b>
<b>Other expenditure:</b>					
Dilapidations		99	-	99	95
Restructuring costs		3,640	-	3,640	1,376
Write down of property and equipment		2,114	-	2,114	-
Defined benefit pension costs (see note 21)		518	-	518	929
<b>Total other expenditure</b>		<b>6,371</b>	<b>-</b>	<b>6,371</b>	<b>2,400</b>
<b>Total expenditure</b>		<b>115,497</b>	<b>5,627</b>	<b>121,124</b>	<b>126,444</b>

Included in total expenditure is irrecoverable Value Added Tax of £4,546,000 (2016 £4,799,000).

Included in total expenditure are grant payments of £2,783,000 made to institutions to perform charitable activities, of which £1,783,000 (2016 £542,000) are grants to Blackpool council for delivery of services for the Big Lottery funded 'Better Start' programme, £981,000 (2016 165,000) are grants to various higher education institutions for academic research programmes into child protection and prevention and £19,000 (2016 £45,000) are grants to other institutions to promote children's rights and evidence based practice.

During the year the Society completed a full review of the potential liability to dilapidations at the end of the leases on occupied buildings. The provision is calculated based on average historic landlord claims received. The movement on the provision reflects both changes in the average landlord claims and changes in properties occupied by the Society.

The restructuring costs relate to the cost of redundancies and onerous contracts.

**The activities underlying the costs above under each heading are:**

**Services for children and families** - work with children, young people, families and communities throughout Great Britain, Northern Ireland and the Channel Islands to provide preventive, therapeutic and assessment services across the United Kingdom. The services work in partnership with local authorities and Local Safeguarding Children Boards, health services and other statutory and voluntary agencies; and children and young people's participation activities.

**Childline and the Schools Service** - work to provide accessible support and advice to ensure that every child is listened to and protected. Childline includes a free 24-hour helpline (telephone, online and automated text services) for children and young people to access advice and support from trained counsellors; and work with primary schools to educate children about how to protect themselves.

**Child protection advice and awareness** - work in partnership with adults across the UK, empowering them to take action on behalf of children. This includes the NSPCC helpline

(telephone and online services) providing advice and support to adults; the Child Trafficking Advice Centre (CTAC); the provision of comprehensive and expert information services; public campaigning and government lobbying; and activities to raise awareness and influence behaviour within adult audiences.

**Child protection consultancy** - work with organisations, networks and professionals that come into contact with children, challenging them to ensure that children are protected from harm. This includes the provision of training and consultancy services; use of the NSPCC's authorised person status; work in partnership with other bodies; and representation on boards and committees where the NSPCC can influence change.

**Expenditure on raising donations and legacies** - promoting the awareness of the NSPCC and its work to create the income flow needed to support our activities.

**Expenditure on other trading activities** - investing in products and organising events to create the income flow needed to support our activities.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total expenditure is stated after charging:</b>		
<b>Operating lease rentals:</b>		
Land and buildings	2,777	1,737
Other	383	420
<b>Fees payable to the Charity's auditors for:</b>		
Statutory audit of the Charity and Group accounts and other assurance services (£8,000 (2016: £3,000))	103	98
Statutory audit of the Charity's subsidiaries' accounts	6	6
<b>Total audit fees</b>	<b>109</b>	<b>104</b>
Tax advisory services	2	2
Other consultancy	-	5
<b>Total non-audit fees</b>	<b>2</b>	<b>7</b>
<b>Charges on owned assets:</b>		
Depreciation and amortisation	3,375	3,735
Impairment	2,114	-
<b>Trustees' expenses:</b>		
Trustees' travel, subsistence and other expenses	15	13

Our trustees are based all over the United Kingdom and give their time on a voluntary basis; the trustees are not entitled to and did not receive any remuneration or other benefits during the year (2016 £nil).

Total trustee expenses of £15,000 (2016 £13,000) were incurred in the year, in respect of eleven trustees (2016 five). In addition the Society paid indemnity insurance in respect of the trustees of £8,000 (2016 £7,000).

The trustee expenses disclosed above were incurred solely in furtherance of their duties. Trustee expenses include travel, subsistence and other incidental expenses reclaimed or paid directly by the charity, along with a contribution towards the cost of providing a Personal Assistant for the President of Childline in support of her important ambassadorial and fundraising role for the Childline service.

## 7. Child protection advice and awareness

As part of its mission to end cruelty to children, and in accordance with its Royal Charter, the NSPCC undertakes a broad range of publicity and educational work aimed at influencing adults. It aims to work in partnership with adults across the UK, empowering them to take action on behalf of children. Expenditure of this nature:

- makes the public aware of the incidence and effects of child abuse and everyone's shared responsibility to act to stop it;
- provides comprehensive and expert advice and information on child protection to professionals and other relevant parties;

- provides advice, guidance and support to adults who are concerned about the welfare of a child or young person, enabling them to take appropriate action; and
- informs the public and fellow professionals about the NSPCC's own action to protect children and young people through its services for them and their families.

Communication with the public through child protection advice and awareness has a parallel purpose of encouraging potential donors to contribute funds to achieve the mission of the NSPCC.

	2017		2016	
	Raising funds £'000	Child protection advice and awareness £'000	Raising funds £'000	Child protection advice and awareness £'000
Charged directly	10,322	10,649	10,930	10,929
Allocated costs	12,620	10,972	14,018	14,026
<b>Direct costs allocated</b>	<b>22,942</b>	<b>21,621</b>	<b>24,948</b>	<b>24,955</b>
Support costs allocated	854	1,037	903	955
<b>Total</b>	<b>23,796</b>	<b>22,658</b>	<b>25,851</b>	<b>25,910</b>

Expenditure incurred each year is, where possible, charged directly to raising awareness or raising funds. Where there is more than one purpose, costs are shared between the activities in proportion to the work undertaken. For example, marketing materials are evaluated by content.

## 8. Allocation of support costs

Type of cost	Raising funds £'000	Charitable activities £'000	Total 2017 £'000	Total 2016 £'000
Central management and administration	567	3,131	3,698	4,183
Premises, infrastructure and communications	206	1,193	1,399	1,165
Governance	81	449	530	631
<b>Total support costs allocated</b>	<b>854</b>	<b>4,773</b>	<b>5,627</b>	<b>5,979</b>

Central management and administration costs includes the relevant proportion of human resources, legal services and risk management, and central finance including procurement and transaction processing.

Premises, infrastructure and communications are costs which enable the buildings and NSPCC facilities to operate effectively, this include provision of information system services and internal and external communications.

Governance costs are costs associated with the governance arrangements of the NSPCC, including internal and external audit costs, legal advice for trustees and costs associated with constitutional and statutory requirements.

Support costs are allocated on the basis of relevant full time equivalent staff numbers. Information Systems support costs are allocated on the basis of personal and laptop computers in use.

## 9. Employees

	2017 £'000	2016 £'000
<b>Total staff costs recognised in the year</b>		
Wages and salaries	56,651	59,748
Social security costs	5,761	6,061
Pension costs	3,835	4,527
Other forms of employee benefits	1,438	1,608
<b>Total</b>	<b>67,685</b>	<b>71,944</b>

Redundancy costs of £1,849,000 have been paid (2016 £729,000). The amount expensed in the accounts is £1,616,000 (2016 £1,117,000).

Included within pension costs of £3,835,000 (2016 £4,527,000) are costs relating to the defined contribution scheme of £3,317,000 (2016 £3,598,000) and costs relating to the defined benefit scheme of £518,000 (2016 £929,000). Pension costs in relation to the defined benefit pension scheme are detailed within note 21.

Other forms of employee benefits include life assurance, risk benefits and car allowances, where applicable.

The average number of employees on the payroll for the year was 1,949 (2016 2,045). The average number of employees, calculated on a full time equivalent basis for the year was 1,732 (2016 1,820). The NSPCC operates a family-friendly policy including part-time work and job-sharing. The above numbers include staff responsible for the management and support of the volunteers.

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

	2017 Number	2016 Number
Activities to end cruelty to children	1,381	1,405
Raising funds	211	254
Support and governance	140	161
<b>Total</b>	<b>1,732</b>	<b>1,820</b>

<b>The number of employees whose total employee benefits (excluding employer pension and national insurance costs) for the reporting period amounted to over £60,000 was as follows:</b>	2017 Number	2016 Number
£170,001-£180,000	1	-
£160,001-£170,000	-	1
£130,001-£140,000	1	2
£120,001-£130,000	3	1
£110,001-£120,000	1	2
£100,001-£110,000	1	2
£90,001-£100,000	3	2
£80,001-£90,000	3	5
£70,001-£80,000	12	14
£60,001-£70,000	24	24
<b>Total</b>	<b>49</b>	<b>53</b>

The table above does not include termination benefits paid in the year. If these were included, one additional employee would be included in the banding £60,001-£70,000, one in the banding £70,001-£80,000, two in the banding £80,001-£90,000 and one in the banding £100,001-£110,000 (2016 one employee in the banding £80,001-£90,000 would move to the banding £110,001-£120,000, one additional employee would be included in the banding £90,001-£100,000 and one in the banding £110,001-£120,000).

<b>Key management personnel</b>	2017 £'000	2016 £'000
Total employee benefits* received by the Executive board for their services during the year	1,130	1,277

\*Employee benefits are all forms of consideration paid by a charity in exchange for the service rendered by employees, including trustees, and include all remuneration, salary, benefits, profit-sharing and bonuses, employer's pension and national insurance contributions and any termination payments made.

## 10. Contribution from volunteers

We are very grateful to our large and hugely supportive volunteer base. Some work tirelessly to raise funds for our work, whilst others work directly with children, young people and families through our services such as being a trained volunteer counsellor for our Childline service or delivering our Schools Service.

- Our Childline service delivers 24/7 support to children throughout the year. Our Childline counselling service delivered over 295,000 counselling sessions (2016 almost 302,000 sessions) with the help of over 1,400 volunteer counsellors (2016 1,400 volunteer counsellors) providing over 181,000 hours (2016 over 175,000 hours).
- Our ‘*Speak Out, Stay Safe*’ service delivers assemblies and workshops in primary schools to equip pupils with the knowledge and resilience to protect themselves from abuse, and the confidence to seek help. This year, with the help of over 900 School Services volunteers (2016 1,173 School Services volunteers) we’ve visited over 7,800 schools (2016 visited 8,416 schools) reaching over 1,600,000 children across the UK (2016 reaching 765,958 children).
- Supporting our fundraising team, there are a number of Special Events Committees, Volunteer and Business Boards, each focussing on NSPCC activities they feel particularly passionate about, and where their skills and

expertise can be best utilised. Our Board and Committee members use their expertise and contacts from their own fields of business, employing a range of fundraising techniques, from corporate introductions to charity event creation, securing major gifts and legacies, and raising awareness. In the year, the Boards and Committees supported our fundraising team in generating income of £4,021,000 (2016 £4,728,000).

- We have 175 branches and over 700 districts (2016 180 branches and over 700 districts) raising funds around the UK, with around 6,700 members (2016 around 6,100 members) who raised over £2,800,000 (2016 over £3,100,000) in the year through organising local community fundraising events.
- In addition there are approximately 100 volunteers (2016 approximately 70 volunteers) working in our service centres across the country in a range of roles, from providing support through our young witness service in Northern Ireland, to transporting families to and from our centres, representing parents in the target group for our “Blackpool Better Start” programme, and offering advice to new mums.

Given the absence of a reliable measurement basis, donated services from our volunteers are not included within the financial statements. This is in line with the requirements of Charities SORP (FRS 102).

## 11. Subsidiary companies and their activities

The Charity has three wholly-owned subsidiaries. Information and financial data on Childline and NSPCC Trading Company Limited are detailed below. The NSPCC Pension Scheme Limited acts solely as a corporate trustee of the NSPCC Pension Scheme, does not trade on its own behalf and has no assets or liabilities.

### **NSPCC Trading Company Limited**

NSPCC Trading Company Limited (NSPCC Trading) is incorporated in the UK (Company registration number 00890446). The main activities consist of mail order catalogue sales,

corporate sponsorships and fundraising events. There is a small amount of sales of donated goods from one NSPCC charity shop.

A summary of the trading company results are opposite. The information is taken from the audited accounts for the company and therefore includes transactions undertaken with the NSPCC.

	<b>NSPCC Trading 2017 £'000</b>	<b>NSPCC Trading 2016 £'000</b>
<b>Profit and loss account</b>		
Revenue	1,903	1,244
Cost of sales	(108)	(176)
<b>Gross profit</b>	<b>1,795</b>	<b>1,068</b>
Net operating costs	(167)	(204)
<b>Operating profit</b>	<b>1,628</b>	<b>864</b>
Amount gift aided to NSPCC	(1,628)	(864)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and funds:</b>		
Assets	1,124	889
Liabilities	(1,094)	(859)
<b>Total funds including 100 ordinary shares of £1 each</b>	<b>30</b>	<b>30</b>

Profits from NSPCC Trading are gift aided to the NSPCC at the value of the taxable profits.

## Childline

Childline is a charitable company limited by guarantee, registered in England and Wales and incorporated in the UK (company registration number 2622689, charity registration number 1003758). Childline the entity exists to receive legacy income otherwise not receivable by the NSPCC. These funds are paid by way of a grant to the NSPCC.

A summary of Childline results are below. The information is taken from the audited accounts for the charity and therefore includes transactions undertaken with the NSPCC.

	<b>Childline 2017 £'000</b>	<b>Childline 2016 £'000</b>
Total income	1,304	916
Total expenditure	(1,304)	(931)
<b>Net expenditure</b>	<b>-</b>	<b>(15)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	-	15
<b>Funds balance carried forward</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and funds:</b>		
Assets	36	12
Liabilities	(36)	(12)
<b>Total funds</b>	<b>-</b>	<b>-</b>

## 11. Subsidiary companies and their activities (continued)

### NSPCC results (excluding subsidiaries)

A summary of the results of the parent charity are below.

	NSPCC excluding subsidiaries 2017 £'000	NSPCC excluding subsidiaries 2016 £'000
Total income	125,609	127,227
Total expenditure	(119,326)	(124,744)
Net gains/ (losses) on investments	578	(516)
<b>Net income</b>	<b>6,861</b>	<b>1,967</b>
Actuarial losses on defined benefit pension scheme	(21,491)	(571)
<b>Net movement in funds</b>	<b>(14,630)</b>	<b>1,396</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	84,682	83,286
<b>Funds balance carried forward</b>	<b>70,052</b>	<b>84,682</b>

Total income for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £1,628,000 (2016 £864,000) and the grant from Childline of £1,304,000 (2016 £931,000).

## 12. Tangible and intangible fixed assets

Group and Charity	Freehold property £'000	Leasehold property £'000	Furniture, fittings and equipment £'000	Total Tangible assets £'000	Total Intangible assets £'000	Total Fixed assets £'000
<b>Cost</b>						
1 April 2016	28,221	17,106	7,290	52,617	15,054	67,671
Additions	379	34	265	678	2,934	3,612
Disposals	(9)	(1,175)	(1,231)	(2,415)	(313)	(2,728)
<b>31 March 2017</b>	<b>28,591</b>	<b>15,965</b>	<b>6,324</b>	<b>50,880</b>	<b>17,675</b>	<b>68,555</b>
<b>Depreciation and amortisation</b>						
1 April 2016	9,302	7,694	4,573	21,569	11,566	33,135
Depreciation and amortisation	426	924	950	2,300	1,075	3,375
Impairment	208	1,848	58	2,114	-	2,114
Disposals	(9)	(1,175)	(943)	(2,127)	(313)	(2,440)
<b>31 March 2017</b>	<b>9,927</b>	<b>9,291</b>	<b>4,638</b>	<b>23,856</b>	<b>12,328</b>	<b>36,184</b>
<b>Net book value</b>						
<b>31 March 2017</b>	<b>18,664</b>	<b>6,674</b>	<b>1,686</b>	<b>27,024</b>	<b>5,347</b>	<b>32,371</b>
31 March 2016	18,919	9,412	2,717	31,048	3,488	34,536

Intangible assets represent the cost of software development and other computer software.

The Society undertakes annual property impairment reviews, comparing the properties' net book value to value in use. Properties identified with a net book value in excess of value in use are written down to the higher of market value or value in use.

## 13. Capital commitments

There were capital commitments of £270,000 at 31 March 2017 (2016 £726,000).

## 14. Investments

Group and Charity	UK fixed interest and bond funds				UK Bank deposits	Total 2017	Total 2016
	UBS - NSPCC bond fund	Henderson preference and bond fund	M&G corporate bond fund				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market value at 1 April	11,614	4,524	11,264	19,343	46,745	49,362	
Purchases at cost	5,101	238	-	33,786	39,125	12,325	
Disposals at carrying value	(4,922)	(266)	(200)	(25,768)	(31,156)	(14,426)	
Realised (loss) / gain on investment	(37)	-	14	-	(23)	(45)	
Unrealised (loss) / gain on investment	(58)	171	488	-	601	(471)	
<b>Value at 31 March</b>	<b>11,698</b>	<b>4,667</b>	<b>11,566</b>	<b>27,361</b>	<b>55,292</b>	<b>46,745</b>	
Historical cost as at 31 March	11,734	4,642	8,457	27,350	52,183	44,050	

Bonds are disposed on maturity and new bonds purchased by the fund manager. UK bank deposits are placed on deposit in accordance with the investment policy, detailed within note 1.9.

The investments include shares in three listed companies and three unlisted companies, which the charity accepted as donations. The listed shares are included at their market value at 31 March 2017 of £11,000 and the unlisted shares are included at their nominal value of £1 each (2016 three unlisted shares of £1 each).

### At 31 March 2017 the following investments represented more than 5 per cent of the portfolio by market value:

	%	Value £'000
UBS - NSPCC bond fund	21.2%	11,698
M&G corporate bond fund	20.9%	11,566
JP Morgan liquidity fund	18.6%	10,266
Goldman Sachs liquid reserves fund	12.7%	7,000
Barclays 35 day notice account	9.0%	5,000
Henderson preference and bond fund	8.4%	4,667
Barclays 95 day notice account	7.2%	4,000

## 15. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	1,459	1,386	1,219	1,214
Amounts owed by group undertakings	-	-	928	652
Prepayments	1,998	2,117	1,551	1,597
Accrued income	4,778	4,943	4,562	4,915
Other debtors	2,564	2,897	2,548	2,884
<b>Total</b>	<b>10,799</b>	<b>11,343</b>	<b>10,808</b>	<b>11,262</b>

## 16. Current investments and cash at bank and in hand

	Group		Charity	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Current investments	12,030	11,458	12,030	11,458
Cash at bank and in hand	1,408	988	1,204	833
<b>Total</b>	<b>13,438</b>	<b>12,446</b>	<b>13,234</b>	<b>12,291</b>

Current investments represents monies invested through the NSPCC's bankers in short-term money market instruments, and available for return on demand.

## 17. Creditors: amounts falling due within one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	4,949	5,324	4,908	5,264
Accruals	4,714	5,589	4,704	5,572
Deferred income (see note 20)	1,274	2,044	1,163	1,922
Taxation and social security	1,436	1,580	1,436	1,580
Other creditors	1,163	1,207	1,160	1,200
Grants payable	1,273	684	1,273	684
<b>Total</b>	<b>14,809</b>	<b>16,428</b>	<b>14,644</b>	<b>16,222</b>

## 18. Creditors: amounts falling due after one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Grants payable due after one year and less than five years	673	-	673	-
<b>Total</b>	<b>673</b>	<b>-</b>	<b>673</b>	<b>-</b>

## 19. Provisions for liabilities

Group and Charity	Dilapidations on leasehold properties	Restructuring	Other	Total
	£'000	£'000	£'000	£'000
Carrying amount at 1 April 2016	2,902	979	49	3,930
Additions and remeasurement	180	1,872	-	2,052
Amounts charged against the provision	(36)	(543)	-	(579)
Unused amounts reversed	(76)	-	-	(76)
<b>Carrying amount at 31 March 2017</b>	<b>2,970</b>	<b>2,308</b>	<b>49</b>	<b>5,327</b>
<b>Commitments are likely to be met:</b>				
Within one year	1,540	2,308	49	3,897
After one year and less than five years	281	-	-	281
After five years	1,149	-	-	1,149
<b>Total</b>	<b>2,970</b>	<b>2,308</b>	<b>49</b>	<b>5,327</b>

The provision for dilapidations on leasehold properties relates to the estimated future cost of landlord claims at the end of the lease.

The provision for restructuring relates to the cost of redundancies and onerous contracts.

No discounting has been applied to any of the provisions as the effect of this would be immaterial.

## 20. Deferred income

	<b>1 April 2016 £'000</b>	<b>Deferred £'000</b>	<b>Released £'000</b>	<b>31 March 2017 £'000</b>
Statutory sources	271	165	(271)	165
Other non-statutory sources	823	245	(823)	245
Income from fundraising activities	828	738	(828)	738
<b>Total for the Charity</b>	<b>1,922</b>	<b>1,148</b>	<b>(1,922)</b>	<b>1,148</b>
Income from fundraising activities	122	126	(122)	126
<b>Total for the Group</b>	<b>2,044</b>	<b>1,274</b>	<b>(2,044)</b>	<b>1,274</b>

The main reasons for deferrals are as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2017 £'000</b>	<b>2016 £'000</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Performance related grant conditions not met	127	847	127	847
Potentially refundable income received for future events	865	949	739	827
Other deferrals	282	248	282	248
<b>Total</b>	<b>1,274</b>	<b>2,044</b>	<b>1,148</b>	<b>1,922</b>

## 21. NSPCC Pension Schemes

The NSPCC operates both a defined contribution and a defined benefit pension scheme which require contributions to be made to separately administered funds for the benefit of the employees. Further details of these schemes are provided below.

### NSPCC defined contribution pension scheme

The pension costs for the year in relation to the defined contribution pension scheme were £3,317,000 (2016 £3,598,000). As at 31 March 2017, £353,000 was outstanding and included in creditors (2016 £397,000). Expenditure is allocated to the appropriate heading in the accounts on the basis of full time equivalent staff numbers.

### NSPCC defined benefit pension scheme

The Society operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 March 2015

and updated to 31 March 2017 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent actuarial valuation showed a deficit of £17,000,000. The Society has agreed with the trustees that it will aim to eliminate the deficit over a period of seven years and nine months from 5 April 2015 by the payment of £1,000,000 per annum until 31 December 2017 and £2,000,000 per annum from 1 April 2017 to 31 December 2022. These contributions include £400,000 per annum as an allowance in respect of levies to the Pensions Protection Fund, scheme management and administration expenses. The recovery plan also agreed balloon payments of £3.5 million in September 2018 and £3.3 million in September 2021, in the event that the deficit assessed at 31 March 2018 or 31 March 2021 exceeds the expected deficit based on the statement of funding principles dated 22 September 2016.

## 21. NSPCC Pension Schemes (continued)

### Present values of defined benefit obligation, fair value of assets and defined benefit asset

	31 March 2017 £'000	31 March 2016 £'000
Fair value of plan assets	169,385	165,883
Present value of defined benefit obligation	(190,394)	(157,719)
<b>(Deficit)/Surplus in plan</b>	<b>(21,009)</b>	<b>8,164</b>
Unrecognised surplus	-	(8,164)
<b>Defined benefit liability to be recognised</b>	<b>(21,009)</b>	<b>-</b>

### Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2017 £'000	31 March 2016 £'000
Defined benefit obligation at start of period	157,719	164,740
Expenses	518	429
Interest expense	5,564	5,677
Actuarial losses / (gains)	33,465	(7,303)
Benefits paid and expenses	(6,872)	(6,324)
Losses due to benefit changes	-	500
<b>Defined benefit obligation at end of period</b>	<b>190,394</b>	<b>157,719</b>

### Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2017 £'000	31 March 2016 £'000
Fair value of plan assets at start of period	165,883	166,111
Interest income	5,867	5,730
Actuarial losses / (gains)	3,507	(1,134)
Contributions by the Society	1,000	1,500
Benefits paid and expenses	(6,872)	(6,324)
<b>Fair value of plan assets at end of period</b>	<b>169,385</b>	<b>165,883</b>

The actual return on the plan assets over the period ended 31 March 2017 was £4,596,000.

### Defined benefit costs recognised in the Statement of Financial Activities

	31 March 2017 £'000	31 March 2016 £'000
Expenses	518	429
Losses due to benefit changes	-	500
<b>Defined benefit costs recognised in expenditure</b>	<b>518</b>	<b>929</b>
Actuarial gains / (losses) on assets	3,507	(1,134)
Actuarial (losses) / gains on liabilities	(33,465)	7,303
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gains / (losses)	8,467	(6,740)
<b>Actuarial (losses) on defined benefit pension scheme</b>	<b>(21,491)</b>	<b>(571)</b>

**Assets:**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
UK equities	10,573	14,369
Overseas equities	10,619	14,556
Indexed linked gilts	-	3,848
Absolute return fund	18,697	21,460
Diversified growth fund	37,801	44,350
Property	8,686	8,349
Cash	5,569	511
Insured annuities	54,874	58,440
Liability driven investments	22,566	-
<b>Total assets</b>	<b>169,385</b>	<b>165,883</b>

None of the fair values of the assets shown above include any direct investments in the Society's own financial instruments or any property occupied by, or other assets used by, the Society.

**Assumptions:**

	<b>2017</b>	<b>2016</b>
Discount rate	2.7% pa	3.6% pa
Inflation (RPI)	3.3% pa	2.9% pa
Inflation (CPI)	2.3% pa	1.9% pa
Allowance for revaluation of deferred pensions of CPI or 5% pa if less	2.3% pa	1.9% pa
Allowance for pension in payment increases of RPI or 5% pa if less	3.3% pa	2.9% pa

The mortality assumptions adopted at 31 March 2017 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2017	21.2
Female retiring in 2017	23.0
Male retiring in 2037	22.3
Female retiring in 2037	24.3

## 22. Operating lease commitments

Total of future minimum lease payments for the Group and Charity under non-cancellable operating leases for each of the following periods:

	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
<b>Group and Charity</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Not later than one year	1,280	43	1,120	54
Later than one year and not later than five years	1,810	44	1,008	87
Later than five years	3	-	9	-
<b>Total</b>	<b>3,093</b>	<b>87</b>	<b>2,137</b>	<b>141</b>

## 23. Endowment, restricted and designated funds

	Balance 1 April 2015 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000
<b>Permanent endowment funds</b>				
<b>Charity</b>				
Permanent endowment fund	1,380	-	(3)	(15)
N Knatchbull endowment fund	10	-	-	-
M Glaister fund	10	-	-	-
A Sykes fund	9	-	-	-
<b>Total permanent endowment funds</b>	<b>1,409</b>	<b>-</b>	<b>(3)</b>	<b>(15)</b>
<b>Restricted funds</b>				
<b>Charity</b>				
Childline restricted funds received by NSPCC including funding received from the Child's Voice Appeal for the helpline Development Project	354	8,234	(7,928)	-
Activities to end cruelty to children funded by other restricted donations	250	6,713	(6,794)	-
Capital Projects, including Acquisition of Buildings	6,621	16	(150)	-
<b>Details are given below in respect of restricted funds where separate disclosure is required by the funder:</b>				
Childline and NSPCC helpline funded by the Department for Education	-	2,000	(2,000)	-
Capital Project, helpline Information System Transformation funded by the Department for Education	713	-	-	-
Serious Case Review Learning into Practice Project funded by the Department for Education's Children's Social Care Innovation Programme	-	1,108	(1,108)	-
The Childline & NSPCC helpline transformation project 'Doing More for Children' funded by the Department for Education	-	287	(287)	-
New Orleans Intervention Model (NIM) in London funded by the Department for Education	-	683	(683)	-
New Orleans Intervention Model (NIM) for Infant Mental Health in Scotland funded by the Big Lottery Fund	60	199	(191)	-
New Orleans Intervention Model (NIM) Glasgow 'Young Families' pilot funded by Scottish Power Foundation	-	35	-	-
Childline Foyle helpline in Londonderry funded by the Department of Education Northern Ireland	-	266	(266)	-
Childline counselling staff salaries in Northern Ireland funded by the Department of Health Social Services & Public Safety (DSSHPS) of Northern Ireland	-	62	(62)	-
"A Better Start" project in Blackpool funded by the Big Lottery Fund	57	1,302	(1,359)	-
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by the Big Lottery Fund	-	37	(24)	-
The 'Young Mum's Participation' project in Scotland funded by the Big Lottery Fund	4	-	(3)	-

Transfers £'000	Balance 31 March 2016 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance 31 March 2017 £'000
-	1,362	-	(3)	15	-	1,374
-	10	-	-	-	-	10
-	10	-	-	-	-	10
-	9	-	-	-	-	9
-	<b>1,391</b>	-	<b>(3)</b>	<b>15</b>	-	<b>1,403</b>
-	660	11,123	(11,049)	-	-	734
-	169	5,836	(5,363)	-	-	642
-	6,487	261	(208)	-	-	6,540
-	-	2,000	(2,000)	-	-	-
-	713	-	(13)	-	-	700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	399	(399)	-	-	-
-	68	-	(68)	-	-	-
-	35	-	(35)	-	-	-
-	-	266	(266)	-	-	-
-	-	47	(47)	-	-	-
-	-	3,263	(3,263)	-	-	-
-	13	117	(130)	-	-	-
-	1	-	(1)	-	-	-

## 23. Endowment, restricted and designated funds (continued)

<b>Details are given below in respect of restricted funds where separate disclosure is required by the funder:</b>	<b>Balance 1 April 2015 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains / (losses) £'000</b>
NSPCC Childline Service in Scotland funded by the Big Lottery Fund and the Scottish Government	-	160	(160)	-
Third Sector Early Intervention Fund				
Childline's anti-bullying work in Scotland funded by the Scottish Government	-	83	(83)	-
Funding for a volunteer co-ordinator in Scotland from the Scottish Government	-	32	(32)	-
Childline in Wales funded by the Welsh Government	-	76	(76)	-
'Children and Families Organisation' (CFOG)				
Schools Service in North and South London, Essex, Cumbria, Devon and Cornwall funded by the players of People's Postcode Lottery	-	75	(75)	-
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by Comic Relief	-	26	(26)	-
Funding for the salary costs of two 'Protect and Respect' case workers from The City of London Corporation's charity, City Bridge Trust	17	90	(86)	-
Adverse childhood experiences Coordinator Service Police Innovation Fund Early Intervention and Prevention funded by South Wales Police and Crime Commissioner	-	-	-	-
Information Commissioners Office (ICO) fundraising activities penalty funded by friends of the NSPCC	-	-	-	-
<b>Total restricted funds</b>	<b>8,076</b>	<b>21,484</b>	<b>(21,393)</b>	<b>-</b>
<b>Total restricted and endowment funds</b>	<b>9,485</b>	<b>21,484</b>	<b>(21,396)</b>	<b>(15)</b>
<b>Designated funds</b>				
<b>Charity</b>				
Freehold and leasehold properties	23,268	-	(1,427)	-
Letting the future in	-	89	(89)	-
<b>Total designated funds</b>	<b>23,268</b>	<b>89</b>	<b>(1,516)</b>	<b>-</b>
<b>Other unrestricted funds</b>				
<b>Charity</b>				
General funds	50,533	103,849	(99,098)	(501)
<b>Total general funds for the Charity</b>	<b>50,533</b>	<b>103,849</b>	<b>103,849</b>	<b>103,849</b>
<b>Subsidiary companies</b>				
NSPCC Trading Company Limited	30	2,475	(2,574)	-
Childline	15	916	(931)	-
<b>Total general funds for the Group</b>	<b>50,578</b>	<b>107,339</b>	<b>(102,603)</b>	<b>(501)</b>
Pension reserve	-	-	(929)	(571)
<b>Total funds for the Group</b>	<b>83,331</b>	<b>128,912</b>	<b>(126,444)</b>	<b>(1,087)</b>

Income within general funds for the charity excludes the gift aid donation of £1,628,000 from NSPCC Trading Company Limited (2016 £864,000) and the grant of £1,304,000 from Childline (2016 £931,000).

The transfers from general funds are £1,000,000 for payments in relation to pensions (2016 £1,500,000) and £413,000 to designated funds in relation to property additions (2016 £214,000).

Transfers £'000	Balance 31 March 2016 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance 31 March 2017 £'000
-	-	20	(20)	-	-	-
-	-	83	(83)	-	-	-
-	-	32	(32)	-	-	-
-	-	-	-	-	-	-
-	-	125	(125)	-	-	-
-	-	119	(119)	-	-	-
-	21	45	(66)	-	-	-
-	-	17	(17)	-	-	-
-	-	10	(10)	-	-	-
-	<b>8,167</b>	<b>23,763</b>	<b>(23,314)</b>	-	-	<b>8,616</b>
-	<b>9,558</b>	<b>23,763</b>	<b>(23,317)</b>	<b>15</b>	-	<b>10,019</b>
214	22,055	-	(3,228)	-	413	19,240
-	-	3	(3)	-	-	-
<b>214</b>	<b>22,055</b>	<b>3</b>	<b>(3,231)</b>	-	<b>413</b>	<b>19,240</b>
(1,714)	53,069	100,434	(90,851)	563	(1,413)	61,802
<b>103,849</b>	<b>53,069</b>	<b>100,434</b>	<b>(90,851)</b>	<b>563</b>	<b>(1,413)</b>	<b>61,802</b>
-	30	1,903	(1,903)	-	-	30
-	-	1,304	(1,304)	-	-	-
<b>(1,714)</b>	<b>53,099</b>	<b>103,641</b>	<b>(94,058)</b>	<b>563</b>	<b>(1,413)</b>	<b>61,832</b>
1,500	-	-	(518)	(21,491)	1,000	(21,009)
-	<b>84,712</b>	<b>127,407</b>	<b>(121,124)</b>	<b>(20,913)</b>	-	<b>70,082</b>

## 24. Analysis of group net assets between funds

Fund balances are represented by:

	Unrestricted		Restricted £'000	Endowment £'000
	General £'000	Designated £'000		
Tangible and intangible fixed assets	5,914	19,240	7,217	-
Investments	53,918	-	-	1,374
Current assets and liabilities	7,327	-	1,399	29
Provisions	(5,327)	-	-	-
<b>Total net assets excluding pension reserve</b>	<b>61,832</b>	<b>19,240</b>	<b>8,616</b>	<b>1,403</b>
Pension reserve	(21,009)	-	-	-
<b>Total net assets</b>	<b>40,823</b>	<b>19,240</b>	<b>8,616</b>	<b>1,403</b>

Of the restricted funds represented by tangible & intangible fixed assets £6,099,000 relates to freehold and leasehold property (2016 £6,276,000), £1,111,000 relates to intangible assets (2016 £883,000) and £7,000 relates to other tangible fixed assets (2016 £13,000).

Included in the restricted funds represented by current assets and liabilities figure is £23,000 which relates to restricted donations to be spent on intangible assets - development software (2016 £26,000).

## 25. Legacies

The NSPCC has been notified of 734 legacies (2016 797 legacies) which have not been included within the financial statements as they do not yet meet the income recognition criteria. This includes 93 pecuniary legacies which have an average value of £4,875 (2016 70 cases with an average value of £14,418). Pecuniary legacies are only recognised once notification of probate is received. The remaining 641 are residuary legacies, which have an average value of £47,876 (2016 727 cases with an average value of £43,886). Residuary legacies are normally recognised once draft accounts are received or other information which allow them to be

measured with reasonable accuracy. Included within the above figures are 15 pecuniary legacies (2016 13) and 134 residuary legacies (2016 143) which are not recognised because they are subject to a life interest.

The NSPCC has waived the rights to two legacy entitlements totalling £14,000 (2016 None) related to claims made by families of the deceased on the basis that the claims reflected the deceased's wishes. The trustees agreed that there was a moral obligation to waive these rights and approval was granted from the Charity Commission.

## 26. Related party transactions

Advantage has been taken of exemptions under FRS 102 not to disclose related party transactions with and between wholly-owned subsidiaries.

Related party transactions with NSPCC Pension Scheme are disclosed in note 21. Related party transactions with the trustees are detailed within in notes 3 and 6. There were no transactions with other related parties in the year.

<b>2017</b>	<b>Unrestricted</b>					<b>2016</b>
<b>Total funds</b>	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>		<b>Total funds</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
32,371	5,309	22,055	7,172	-		34,536
55,292	45,383	-	-	1,362		46,745
8,755	6,337	-	995	29		7,361
(5,327)	(3,930)	-	-	-		(3,930)
<b>91,091</b>	<b>53,099</b>	<b>22,055</b>	<b>8,167</b>	<b>1,391</b>		<b>84,712</b>
(21,009)	-	-	-	-		
<b>70,082</b>	<b>53,099</b>	<b>22,055</b>	<b>8,167</b>	<b>1,391</b>		<b>84,712</b>

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# NSPCC

Together we can help children who've been abused to rebuild their lives. Together we can protect children at risk. And, together, we can find the best ways of preventing child abuse from ever happening.

We change the law. We visit schools across the country, helping children understand what abuse is. And, through our Childline service, we give young people a voice when no one else will listen.

**But all this is only possible with your support. Every pound raised, every petition you sign, every minute of your time, will help make sure we can fight for every childhood.**

**EVERY CHILDHOOD IS WORTH FIGHTING FOR**