

NSPCC  
report and accounts  
2010/11







# Welcome

## This has been a significant year for our Society

We published a landmark study into child cruelty, launched the first of our new programmes to tackle child abuse and substantially overhauled our organisational structure.

Our first study into the prevalence of child maltreatment in the UK was published a decade ago. It created a launch pad to raise public awareness of child cruelty and set the context for developing child protection policy and practice. Our new study gives a fuller and more immediate picture of child cruelty than ever before. It found almost 1 million secondary school children are seriously abused or neglected during childhood and raises concern that the vast majority are not getting vital help and support.

A year ago, I took over from Sir Christopher Kelly as chairman of the trustees. Chris's hard work and dedication made an enormous difference to our work to end child cruelty. In my first year, I have travelled widely to talk to staff and volunteers and see the Society's work on the ground. I am immensely impressed by their commitment and determination to help our most vulnerable children.

They can only carry out their work because of the continued generosity of quite literally hundreds of thousands of people. The NSPCC is unusual. Our activities are predominantly funded by individuals and a small number of businesses. In a difficult year, remarkably, the value of donations we have received has slightly increased. This is testament to the priority which so many of our branches and supporters place on preventing cruelty to children.

We are determined to continue improving services and support for children. Everyone here knows there is so much more to do to achieve our ambition of ending child cruelty. With your help, we can build a society in which everyone takes responsibility for keeping children safe.

We can be proud of our achievements in this annual report. Whether you are a member of staff, a volunteer or a supporter, I thank you for your contribution.



Mark Wood  
Chairman of the Trustees

## Every passing year is important in a child's life

As we reflect on last year, our thoughts turn first to those children who were abused - many of whom suffered in silence. They will feel the ill-effects of their maltreatment for the rest of their lives.

For the NSPCC, the last year has been a time of great change and intense activity. We pulled in a large body of knowledge from across the world to find better ways to tackle child cruelty in this country. Drawing on that expertise, we identified 28 new programmes of work to take forward. These focus on tackling neglect, physical and sexual abuse as well as protecting particularly vulnerable groups of children such as the under ones.

We began introducing our new programmes in areas with large populations and high deprivation, where we can reach as many children as possible. We started setting up new service centres where our teams can work directly with children and their families - opening the first two in Croydon and Ipswich.

We further strengthened our national services including our child protection Helpline, ChildLine and introduced a new primary school service. These are reaching out to help children - wherever they are and whenever they need us. We have shared our experience and expertise with many other organisations, groups and individuals, touching the lives of millions of children across the country.

The pioneering of new ways to prevent abuse and neglect, protect vulnerable children and repair damaged childhoods is a key purpose of the Society. We are developing new services and new campaigns which will help end child cruelty. And by sharing what we learn from our activities to prevent the abuse of many more children, we look to increase the impact we can achieve.

I believe the journey we have embarked on will help shape the child protection landscape for years to come. It is your support that makes that journey possible and we, and the children we help are very grateful.



Andrew Flanagan  
Chief Executive

# Our history and our future

The NSPCC's work to prevent cruelty to children spans three different centuries. Throughout our 127-year history, our services have directly protected millions of children from abuse and neglect. Our lobbying and public education campaigns have helped protect countless millions more.

During that time, successive governments have taken enormous steps to improve the welfare of the nation's children. Child protection is now firmly established as a central feature of our society. In important ways, today's children are treated less harshly than previous generations.

Despite this progress, children are still suffering on a massive scale. Up to a million secondary school children have been seriously neglected or physically or sexually abused during childhood.

The NSPCC has set out a bold ambition of ending cruelty to all children in the UK. Clearly, if we are to achieve this ambition, we need to find new ways of tackling child maltreatment in the 21st century. We have a massive task ahead of us.

That is why the Society has embarked on a new journey. We are seeking out the best, most effective means to achieve our mission – focusing on the most vulnerable children in the areas of greatest need.

There is no single, simple solution to stop child maltreatment. We have to work at different levels. We must prevent abuse before it happens and, when it does, intervene early to help children recover and protect them from further harm.

## Child protection is everyone's responsibility

All adults must be alert to the warning signs, all children given the opportunities and confidence to ask for help. Vulnerable and high risk families must get support. Frontline staff must be fully trained and properly supported. Laws to protect children need to be put in place to address new threats like the internet and international trafficking. Public attitudes and behaviours must continue to change. The NSPCC is working in all these areas.

We are in a unique position. We are able to draw in the latest knowledge from across the world of how to tackle child abuse, develop our learning of what works best and share it with others to multiply our impact many times over.

Distressed children contact ChildLine over 50,000 times a month, giving us vital insight into the issues that are most important to them. Our national child protection Helpline takes tens of thousands of calls a year from adults who trust us to take forward their concerns about a child's welfare.

## Professional partnerships

We work in partnership with local authorities, the police and other experts to tackle the most serious kinds of child abuse. Organisations turn to us for help in developing child protection policies and practices that reduce the risks to the millions of children they work with. Our lobbying influences government and our education campaigns change public attitudes and behaviour.

We are here for one reason – to end cruelty to children. Our determination to achieve that mission remains as strong as ever.







# Our local services for children and families

Supporting abused and vulnerable children in their communities lies at the heart of an effective child protection system. Last year, our expert staff and volunteers worked directly with over 14,000 children and families across England, Wales and Northern Ireland.

During the year, we ran 111 projects to prevent cruelty in families, protect children from abusive adults and help them recover from abuse and neglect.

## Working in the heart of communities

Practitioners at 27 projects – like our Acorn Centre in Blackpool – provided counselling as well as play and art therapy for children who had been physically, sexually or emotionally abused or neglected. Our practitioners

When they were younger, my boys Jake, who's nine, and Tyler, who's seven, saw and heard a lot of violence caused by their dad at home. It really, really messed them up.

Tyler coped by doing really inappropriate things, like trying to cuddle teachers at school, which left him really vulnerable. He had no idea about personal boundaries. Whereas Jake was really loud, disruptive and difficult to control.

Jake and Tyler went on a child protection plan because I just couldn't cope. I would just shut down and ignore them completely. It was really hard on them. That is, until we were referred to the NSPCC a year ago.

My NSPCC worker explained that when a child witnesses domestic violence, it can take a really, really long time to heal. So we did all this work to help us as a family. Like, the boys each chose colours to represent their feelings. They could say, "I'm having a red day," if they were feeling sad.

Jake is calmer now, and Tyler knows what's socially acceptable. They are expressing themselves in healthy ways, and they are doing so brilliantly. I can't stress how much good the NSPCC has done for them.

**Sue, mum to Jake and Tyler, NSPCC service users**

helped children overcome nightmares, panic attacks, flashbacks, anxiety and low self-esteem caused by abuse and neglect.

We ran 15 projects assessing and treating children and young people who were sexually harming others and nine projects involved in reducing the risk that adult sex offenders pose to children.

Seven of our projects supported abused children giving evidence in court and three provided a visiting and advocacy service to children looked after by local authorities. We had seven young people's centres offering a range of services including advice, advocacy, counselling and participation groups and events.

Children are at greater risk of abuse or neglect in families with domestic violence, mental illness and drug or alcohol misuse. The NSPCC ran 27 projects, like the Parkside mental health services in London, to protect children from coming to harm in high-risk families.

Our family support workers challenged parents to change their harmful behaviour, build their parenting skills and improve family communication. They worked to alleviate family pressures and helped children keep themselves safe.

## Rolling out new services

During the year, we began transforming our local services. We created innovative programmes of work that will start to make a bigger impact on tackling levels of child cruelty. Most projects will deliver new services during 2011/12. However, last year we were able to roll-out two new programmes that help children overcome the trauma of domestic violence.

Our Caring Dads: Safer Children programme began working with previously violent fathers to prevent further violence and improve their parenting. We set up the programme with services in Cardiff, Prestatyn, Peterborough and Belfast.

Our Domestic Abuse: Recovering Together programme began working with young children and their mothers to help them recover from domestic violence and improve their relationships. We set up the programme with services in York, Hull, Northampton and Prestatyn.



# Our national services for children and adults

While the NSPCC can be physically present in only some towns and cities, our national services reach out to children and adults wherever they are in the UK. Last year, we strengthened our helplines and extended their reach to more children and adults. In February, the UK government announced a grant of £11.2 million to help develop the helplines to 2015.

During the year, some 1,500 trained ChildLine volunteers supported distressed children on the phone and online. Children struggling with abuse, neglect and other problems contacted ChildLine nearly 670,000 times. Many were suicidal or on the brink of running away. Our counsellors listened to the children, guided them through their options, and helped them think through their problems.

I had moved around a lot in the past. I'd been given nine emergency foster care placements, which changed every two days. Now I was living in long-term foster care. Moira was looking after me.

I was there because I'd been sexually abused by my dad and his friend.

Moira kept telling me stories about other children she had fostered who had horrible lives and really needed the placement. She didn't believe what had happened to me.

School was horrible too. Rumours were going round. "Lydia is a prostitute," they said.

I couldn't take it any more. I took an overdose, 104 tablets. I went to a park, climbed a tree and called ChildLine. I just wanted to talk to someone.

The counsellor kept asking me if I was OK, she was worried. In the end they traced my call. The next thing I remember was an ambulance and a police car turning up.

I was so angry, because I really didn't want to be alive. But I understand now why they had to break confidentiality. And I'm glad they did.

I don't think I would be here now if it weren't for ChildLine.

Lydia, 19, from the Midlands

## Strengthening our online presence

Meanwhile, the ChildLine website continued to grow into a vibrant community where children found information and advice, helped each other on message boards, and chatted online to a counsellor. The website had over 100,000 registered users and almost 1 million visitors last year.

However, most children who contact ChildLine are over 11 years old. So last year we piloted and rolled out a new service to reach younger children in primary schools. Volunteers visited over 100 schools and talked to 11,000 children about how to protect themselves from abuse. We plan to expand the service over the next seven years to reach 22,000 primary schools and 2.5 million children a year.

## Supporting concerned adults

Advisors on our national child protection Helpline provided advice and support to more than 35,000 adults worried about a child last year. During this time, more members of the public contacted the Helpline about serious child abuse and neglect concerns than ever before. We took up 16,385 cases with local police and social services for further investigation – almost half of our child welfare calls. This was 37 per cent higher than the previous year and the biggest ever annual increase.

Most calls about suspected child cruelty came from neighbours and other members of the public. Others contacting the Helpline included parents, family members and professionals like teachers or health workers. More than one in three children reported were previously unknown to the authorities.

Our Child Trafficking Advice and Information Line, which provides information to professionals about trafficked children, saw a 24 per cent increase in contacts. During the year, the Home Office designated the service as a first port of call for any individual or organisation concerned about the trafficking of a child.











# Our work with others

Our local services and national helplines make a direct difference to the lives of hundreds of thousands of children. By sharing our experience and expertise with others in contact with children, we touch the lives of millions more.

During the year, we expanded the scale and scope of our training and consultancy work – growing our training activities by 122 per cent and our consultancy services by 161 per cent.

## Expert advice, professionally delivered

Our child protection experts delivered over 1,000 days of training to 248 different organisations from the BBC and Foreign and Commonwealth Office to retailers, Cafcass and Early Years Childcare PLC. This improved the ability of their staff and volunteers to keep children safe.

We worked with the NSPCC Helpline recently, when a teaching assistant in Haringey was found to have more than 2,000 indecent images of children in his possession.

Parents were understandably distraught, wanting to make sure their children were safe. Many teachers were upset because they felt they should have known something was wrong.

We formed a very close partnership with the NSPCC Helpline and the police to help relieve these concerns. Staff from the Helpline came to public meetings in Haringey, providing a calming, expert voice that people felt they could trust. And we promoted the Helpline number as a source of support for anyone who needed to talk further.

We acted to protect two children as a result of calls that followed. A mum also talked to the Helpline about a separate child protection concern she had.

The result? Children were protected, parents were relieved. Teachers were more aware of the warning signs. The teaching assistant was sentenced, and is now on the sex offenders register. While independent of each other, everyone involved formed a strong partnership. And local children are safer as a result of the action we took together.

**Aqualma, Haringey Children's Services**

We distributed over a quarter of a million child protection training packs and other information to organisations working with children.

We provided child protection advice and information to voluntary and community groups through our Safe Network service. During the year, Safe Network trained 478 organisations and distributed over 28,000 publications with information on how to keep children safe. Its website was visited over 130,000 times.

## Working together to protect children

Our Child Protection in Sport Unit helped over 200 sporting bodies in the UK – like the Football Association, the Rugby Football Union and the International Olympic Committee – develop improved protection for children involved in sporting activities. In September, the team created a welfare plan for the 1,600 children at the UK School Games in Newcastle.

Our experts worked alongside police, industry and government at the Child Exploitation and Online Protection (CEOP) Centre. They helped CEOP protect children from sexual abuse by keeping up with online technology and building intelligence about sex offenders. Last year, CEOP dismantled 132 national and international paedophile rings, seized millions of indecent images of children, arrested 513 suspects and rescued 414 children from sexual abuse.

We worked with councils to distribute 7 million cards and leaflets about our Helpline. We had a team working with local education authorities to keep children safe in schools and teach them how to protect themselves from abuse.

During the year we gave information about our Helpline service to over 1 million adults. We sent out over 200,000 advice leaflets and other materials to help keep children safe from abuse and neglect. And we provided more advice and information on our website than ever before on issues such as domestic violence and alcohol and drug abuse.

The NSPCC is the only charity that can start court proceedings to protect children and we always raise serious concerns about a child with local authorities. During the year we began to develop a new approach to challenging councils who do not take sufficient action to address our concerns.

# Our lobbying and campaigning

Only through lobbying governments and campaigning to change public attitudes and behaviour can we create a society committed to ending cruelty to all children in the UK. Those activities must be based on robust research and solid evidence.

During the year we published the findings of a major study into child cruelty in the UK. The study gave a more comprehensive and immediate picture of child abuse and neglect than ever before. It showed falling levels of childhood violence, coercive sex and prolonged verbal abuse over the last 30 years. But it found nearly one in five of today's secondary school children remain severely neglected by a parent, physically attacked by an adult or sexually abused during childhood.

## Speaking out for children

We continued to speak out on behalf of the distressed children who contact ChildLine, publishing two reports into what looked-after children and those with parents misusing alcohol or drugs told us. Children talked about being sick of life or wanting to give up and die and often had to be counselled about self harm or suicidal thoughts. We used the findings of each report to advise and challenge politicians, policy makers and practitioners.

## Influencing, challenging, protecting

Following the formation of a new coalition government in Westminster, we began to influence a new child protection political agenda. We made sure the Education Bill maintained the responsibility of school teachers and governors in England to protect children. We lobbied for measures in the Health Bill to ensure doctors, nurses and other health professionals in England keep children safe. And we made child protection a priority for the new elected police commissioners for England and Wales in the Police Bill.

We called on the UK government to build the skills of professionals working with children, following Professor Eileen Munro's review of social work in England. And we successfully challenged its proposals to weaken arrangements for vetting adults who work or volunteer with children in England, Wales, and Northern Ireland.

In the devolved administrations we set up new teams in Wales and Scotland. In Wales, 70 per cent of Assembly Members signed up to our Children's Charities Manifesto while in Northern Ireland we reported on Traveller children's experiences of domestic violence. In Europe, we helped change EU laws to combat sexual abuse, sexual exploitation of children and child pornography.

From the age of six until I was 17, I was sexually abused by my stepdad. I was thinking, "Well if it's happening to me, at least it's not happening to my sisters." Later I found out he was abusing one of them as well.

After my stepdad only got 10 years, I went off the rails. I'd smash things up in my bedroom. I put my fist through my wardrobe.

It was like I'd built this wall and no one was going to get through it or over it. But the first step to getting where I am now was coming to the NSPCC.

My NSPCC worker said, "We're going to take it down, brick by brick." I was like, there's no way. But once that emotional wall came down, I was floored. I was really, really crying. I'd got to the place where I could rebuild.

Thanks to the NSPCC's help, I'm still standing. What I've been through has made me stronger and it's only going to keep making me stronger.

I don't know quite what I want to do in future, but I'd like to work with children. I'd like to give something back.

Katie, NSPCC service user









# Fundraising highlights

Our work is made possible through the donations and funds raised by our supporters. At a time of economic austerity, our fundraising income grew 1.7 per cent last year to £128,448,000.

**We would like to thank every NSPCC supporter for all the support they have given this year.**

In particular, we would like to highlight some of the different fundraising activities that have taken place:

**In October, the ChildLine's Got Talent Ball, hosted by TV presenter Amanda Holden and sponsored by first direct, raised £320,000 at London's Savoy Hotel.**

Later in the year, the Surrealist Ball at London's Banqueting House brought together celebrity guests with big names in British art, design and fashion. Works of art were kindly donated for auction by Tracey Emin, Damien Hirst and Keith Tyson to help raise money for our therapeutic work with abused children.

**In December, many supporters helped make Christmas magical by sending a child a personal Letter from Santa, along with a donation to the NSPCC. The initiative raised over £1.3 million.**

Before Christmas, HRH The Countess of Wessex attended our first Carols by Candlelight event at Southwark Cathedral. The carol service raised £40,000 for our work.

**In the same month, our annual City Dinner raised £210,000 for our NSPCC Helpline, attracting over 400 guests from the City of London business community.**

Once more, the stunning setting for the NSPCC Castle Howard Christmas Fair provided an ideal backdrop for festive fundraising. With over 50 stallholders and more than 1,000 visitors, it proved to be a great success.

**In March, Deborah Meaden, investor on *The Dragon's Den* TV programme, hosted a Ball at Charlton House, the Somerset retreat of fellow Dragon Duncan Bannatyne. The event raised £100,000 for our helplines.**

During the year, we raised £140,000 through our Celebrate and Give initiative where people celebrate their weddings, birthdays, and other occasions by raising money for the NSPCC.

**Our dedicated "teamGO" athletes continued to raise considerable monies, through hiking challenges and events like the London Marathon or the Great North Run.**

We are grateful for the vital support from partners like first direct who helped us strengthen ChildLine.

**We also acknowledge those individuals who kindly left us legacy gifts.**

We could not continue to promote all of our services without the many tens of millions of pounds raised through regular donations from people across the UK.

**We also thank the many committed volunteers in our Branches and Districts whose generosity and dedication in organising fundraising events raised £4.3 million to support our work with children.**

We thank everyone for their support. Every penny raised helps us work towards ending cruelty to children.

I can tell you from my own experience that child abuse is such a waste of life. It's viral and it can destroy families.

What really destroys you as an individual is that you never feel happy. You feel numb. I have to find ways to bolster my self-worth, because despite standing on top of the world, the pleasure fades quickly. Ironically, it may have made me very successful at my job.

When I told my colleagues about my history, they couldn't believe it. But now they know it can happen to anyone. They have all supported my Mount Everest climbs, which raise funds for the NSPCC.

The first summit was the best. At the top, I prayed my satellite phone would come on. Luckily it did, and I heard my wife and kids screaming. It was lovely.

Since I started climbing, I've lost teeth, punctured my stomach wall, vomited blood, run out of oxygen near the summit, fallen down crevasses and more.

But I have to do whatever I can to raise more awareness of child abuse, and hopefully prevent other children experiencing the misery I went through.

**David, NSPCC supporter**

# Looking ahead

This year we will achieve a step-change in our activities to protect children from cruelty. It is the first of a three-year journey to a new way of helping children. We are reshaping our local services across the UK, accelerating the growth of our primary schools service, and transforming our national helplines.

All our local services are refocusing their work on seven priority areas: sexual abuse; neglect; physical abuse in high-risk families; babies under one; children with disabilities; looked-after children; and children from certain black and minority ethnic communities.

We are setting up and developing 28 new programmes of work within our seven priorities. We are opening new centres in the 40 UK towns and cities we have selected to deliver our services. We are setting up local services in Scotland for the first time from a new base in Glasgow.

## Meeting the needs of children

The growth of the ChildLine service over recent years has been remarkable. As we celebrate ChildLine's 25th anniversary this year, we are increasing our capacity to meet the demand for help from children, particularly from those making contact online. In addition, we aim to reach 16,000 young children in 400 primary schools across the UK over the year – taking us further towards our goal of reaching 22,000 primary schools and 2.5 million children in the next seven years.

A new Helpline text service this year forms part of an investment in new technology to help concerned adults reach us in more ways. Our adult advice and information services are being tailored to the needs of different communities and professionals.

## Extending our reach

We are making an even bigger impact on children's lives through our training and consultancy services. This year, we will work with more organisations in new sectors, including those in health, education, emergency and housing services and businesses. Our Child Protection in Sport Unit is marking its 10th anniversary this year by calling on everyone involved in sport to do more to protect children.

During the year, our child protection experts are gathering and studying the latest knowledge from across the world on how to keep our children safe. They are pulling in new insights from our own local and national services. This will provide the evidence we need to create two new awareness campaigns and lobby governments to change laws and policy to protect children better.

We still have a long way to go before we achieve our ambition of ending cruelty to children in the UK. This year we will re-invigorate our challenge to everyone to do everything they can to protect children. We will influence the national policy agenda to protect new generations of children. We will be, as ever, the leading voice on child protection in the UK.









# Our Society

The NSPCC was founded in 1884, as the London Society for the Prevention of Cruelty to Children, and incorporated by Royal Charter in 1895. We are the only UK children's charity with statutory powers that enable us to take action to safeguard children at risk of abuse.

We work in England, Wales, Scotland, Northern Ireland, and the Channel Islands, adapting our approach to services for children and young people where appropriate in the light of regional differences.

We are currently organising our work until 2016 around four principles:

- Focus: providing well defined and distinct activities where we can maximise our impact.
- Prioritise: concentrating on specific types of abuse and on children who are at most risk to ensure our intervention creates the greatest impact.
- Learning: everything we do creates learning. We will capture that learning and use it to create a cycle of improvement.
- Leverage: we cannot end cruelty to children on our own. We will work with and through others to multiply our impact many times over.

We are delivering our activities to end child cruelty in eight areas:

- creating and delivering services for children which are innovative, distinctive and demonstrate how to enhance child protection most effectively
- providing advice and support to ensure that every child is listened to and protected
- providing advice and support to adults and professionals concerned about a child and if necessary take action to protect the child
- working with organisations which work with children to ensure they effectively protect children and challenge those who do not
- campaigning for changes to legislation, policy and practice to ensure they best protect children
- persuading everyone to take personal responsibility for preventing cruelty to children
- informing and educating the public to change attitudes and behaviours towards children

- using our statutory powers as necessary to protect children.

Our Board of Trustees (the Board) has overall responsibility for everything that our organisation does, although to ensure that we are effectively managed, it has delegated day-to-day decision making and operational matters to our senior management team.

The Board comprises 15 elected trustees. Trustees usually serve an initial term of three years that can be extended up to a maximum of nine years. Trustees are recruited in a variety of ways to ensure that we have the appropriate balance of skills and experience that we need, including through our branch networks of valued supporters.

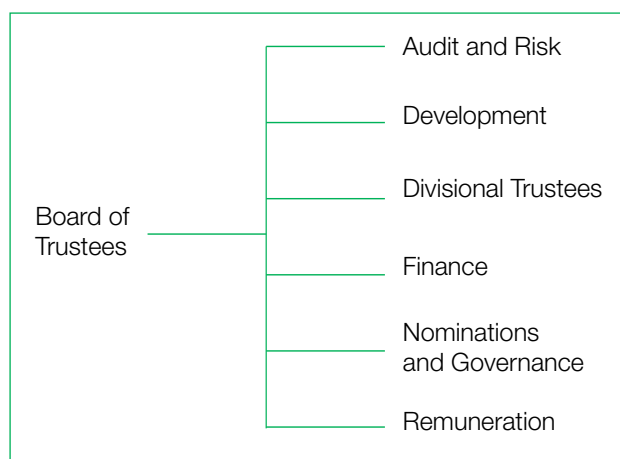
The Nominations and Governance Committee recommends prospective trustees for approval to the full Board, and they are then elected formally by Members of the Council at our Annual Council Meeting. A full induction programme is organised for all new trustees, and trustees meet regularly with the chairman and with our chief executive on a one-to-one basis.

Regular sessions are also held before Board meetings so that trustees are updated on key policy developments, and can meet some of the young people who use our services.

Our Board usually meets nine times a year, with one meeting reviewing board performance.

## Delegation

The Board delegates specific responsibilities to its Committees:



# Our Society (continued)

The terms of reference for each Committee were last reviewed and agreed early in 2011 by the Board.

**The Audit and Risk committee** oversees our systems for quality, performance, risk management and internal controls.

**The Development committee** considers the proposed development of any new activities and reviews those that impact on the direction and focus of our strategy.

**The Divisional Trustees committee** provides the interface with our branch networks and volunteers and represents our work across all sections of the communities in which we work.

**The 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.

**The Nominations and Governance committee** reviews the role and membership of the Board of Trustees and its committees, ensuring compliance with the Royal Charter and bye-laws.

**The Remuneration committee** decides on the appropriate level of remuneration for our chief executive and reviews recommendations for members of our senior management team (the Executive Board). Further information on remuneration of senior staff is given in note 8 on pages 39 to 40.

**Committee membership** comprises trustees and co-opted members who bring their particular expertise and skills to the work of the committees.

There are certain matters which the Board reserves to itself, including approval of our annual plan and budget, and our overall strategic direction.

## National Development Board

The National Development Board brings together volunteers with a passion and commitment to raise funds. It is responsible for the key elements of our volunteer fundraising. The chairman of this Board is appointed by, and accountable to, the chairman of the Board of Trustees.

## Staff

We are committed to making the NSPCC a great place to work, and wholeheartedly support diversity and equality. We participated in the Stonewall Equality index (identifying the top 100 employers in Britain for lesbian, gay and bisexual people) and have implemented an action plan aimed at all aspects of diversity.

The Executive Board (see page 25 to 26) leads the implementation of the policies laid down by the Board and supports the work of our many volunteers. We have the following departments:

- Adult Advice and Information Services
- ChildLine Services
- Child Protection Consultancy
- Services for Children and Families
- Chief Executive's office
- Communications
- Corporate Planning and Performance
- Finance and Corporate Services
- Fundraising
- Human Resources
- Legal and Governance
- Strategy and Development.



# Our statutory responsibilities

## Risk management

The trustees are satisfied that appropriate systems are in place to monitor, manage and mitigate our exposure to risk. Our Audit and Risk Committee considers the risk register a minimum of twice a year, where risks are ranked in terms of inherency and impact. That Committee is supported by an internal audit and inspection department as well as by external auditors.

## Public benefit

The trustees have a duty to report on our organisation's public benefit under section 4 of the Charities Act 2006. We are confident that our organisation meets those public benefit requirements and have taken Charity Commission guidance into consideration. The principles of public benefit – that it is identifiable, that it must be to the public and that any private benefit must be incidental – are borne out by our work.

Our objective is to prevent cruelty to children in the UK. We work to end cruelty to children through the range of activities we undertake, most significantly through ChildLine, our adult child protection Helpline, and our services for children and families, with projects in local communities for children who have experienced or are at risk of abuse and neglect. We help children facing abuse and neglect, as well as those children in care, provide advice to adults and professionals and train individuals, groups and organisations to protect children. We have also campaigned at national, regional and local level to raise the profile of child protection.

The trustees are responsible for preparing this report and the financial statements in accordance with applicable law and regulations. The financial statements on pages 30 to 52 are presented in accordance with the Charities Statement of Recommended Practice (SORP) 2005.

In preparing the financial statements the trustees are responsible for ensuring that:

- suitable accounting policies are adopted and applied consistently
- judgements and estimates made are reasonable and prudent
- applicable United Kingdom accounting standards and statements of recommended practice have been followed
- the accounts are prepared on a going concern basis unless it is inappropriate to presume that the charity and its subsidiaries will continue in business.

## Subsidiaries, joint ventures 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 30 to 52.

In 2010 we acceded from Charityshare Limited, a consortium IT venture jointly owned by The Children's Society, Age UK and Alzheimer's Society.

# Financial review

## How you gave your help

Total incoming resources at £148.6 million (2010 £152.2 million) were 2.4 per cent lower than last year, largely due to a reduction in income from statutory sources.

We continue to receive the largest proportion of our income from regular monthly donations, which despite the challenging economic environment increased slightly this year to £70.8 million (2010 £70.1 million). The valuable contribution of our many and diverse supporters continues to be critical to the charity's ongoing operations.

Voluntary income (which includes regular monthly donations) remained largely in line with last year at £116.9 million (2010 £116.5 million). Legacy income was steady at £20.1 million (2010 £20.3 million). Other donations and gifts increased by £1.1 million on prior year, to £18.7 million (2010 £17.6 million) due to the generosity of our major donors. However, this was offset by a reduction in voluntary income from community fundraising activities of £1.0 million to £7.4 million (2010 £8.4 million).

The NSPCC also generates funds through activities such as fundraising events, sale of goods, sponsorship and promotional activity. Income from these activities increased on prior year by £1.7 million to £11.5 million (2010 £9.8 million). This was largely due to an increase in income from fundraising events, and in particular the success of the Surrealist Ball held in March.

Incoming resources from charitable activities, received primarily from local authorities and government, fell by £6.1 million to £17.1 million (2010 £23.2 million). As the Helplines Development Project reached the final year of the initial grant, the remaining payment was £3.0 million lower than last year. We also saw a £0.6 million reduction in income in respect of the Contact Point database and a reduction in income from service level agreements of £1.5 million (including a reduction in gifts in kind of £0.4 million).

## How we helped children

Total resources expended were £150.6 million (2010 £157.4 million), 4.3 per cent lower than last year. However, despite this overall reduction, we were pleased to be able to maintain our charitable expenditure at a similar level to last year at £111.6 million (2010 £112.9 million) which represents 74 per cent of our total expenditure (2010 72 per cent).

As we continue to implement our strategy we have changed the way that we describe our charitable activities in line with the focus of our work. We have restated our results for last year based on these new categories.

Expenditure on Services for children and families reduced by 2.7 per cent to £46.6 million (2010 £47.9 million) as we have moved through a phase of transition this year, establishing new projects in line with the phased opening of our new service centres. Expenditure is planned to rise next year as we continue to roll out new services.

We have continued to develop our ChildLine services this year, and have maintained expenditure levels in line with last year at £26.3 million (2010 £26.1 million).

Expenditure on Adult advice, influencing and information services reduced by 5.4 per cent to £30.6 million (2010 £32.4 million). Although we have increased our information and expert advice services in this area, we reduced expenditure on less tangible influencing activities.

We made a commitment to grow our Child protection consultancy activities this year, and this area of our work saw an increase in expenditure of 22.9 per cent to £8.0 million (2010 £6.5 million).

In the current climate, the cost of generating funds increased to £31.4 million (2010 £30.2 million), an increase of 3.8 per cent. It represented 24.0 per cent of generated income (23.8 per cent in 2010). Costs of generating funds are monitored and compared to other charities.

Governance costs include the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements as well as strategic planning costs. Governance costs remained consistent year on year at £1.0 million (2010 £1.0 million).



Other resources expended fell to £6.5 million in 2011 (2010 £13.3 million), reflecting costs of a one-off nature which do not fall into other categories of expenditure.

After taking into account gains on the investment portfolio and actuarial gains on the defined benefit pension scheme (see below), total funds decreased by £0.8 million (2010 increase of £8.5 million).

### Reserves

Total reserves decreased by £0.8 million to £71.5 million. We aim to retain sufficient free reserves in a range equivalent to approximately three to five months' forward expenditure. These reserves are held in case of any sudden decline in income and to ensure that contractual commitments to staff, premises and funding partners to provide services to children can be made with some confidence.

At 31 March 2011 Unrestricted Free Reserves were £47.5 million (2010 £46.2 million) and were equivalent to 3.7 months forward expenditure (2010 3.7 months).

### Investment powers and performance

The trustees have wide investment powers set out in the Royal Charter and Bye-laws. 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.

At 31 March 2011, all of our funds were held in cash or fixed interest bonds available for short-term access, as we sold our remaining equity holdings during the year in the final stage of a planned exit.

Income from the NSPCC investments (excluding net return on pension scheme assets) was £2.3 million (2010 £1.8 million), reflecting an increase in income from bond holdings and treasury deposits.

The market value of investments fell by £0.4 million (2010 increase of £6.6 million) in the year. Although we realised a gain of £0.1 million on the sale of our remaining equity holdings, the value of our bond funds fell by £0.5 million in the year.

### Pensions

During the year the NSPCC operated a stakeholder defined contribution pension scheme operated by Scottish Equitable and available to all staff; and a defined benefit scheme which was closed to future accrual as at 31 December 2009. On closure members of the scheme had the opportunity to join the stakeholder defined contribution scheme.

The valuation of the defined benefit pension scheme is based on the latest triennial actuarial valuation as at 31 March 2009 – the valuation at that date showed a deficit of £17.1 million and was used to determine a recovery plan whereby the NSPCC has committed to contribute £2 million per annum for a minimum of 5 years. The FRS 17 valuation as at 31 March 2011 showed liabilities of £154.6 million with assets of £148.2 million, giving a deficit of £6.4 million (2010 deficit £10.3 million). The trustees consider that the pension deficit is recoverable from future cash flows.

### Going concern

The charity's financial position and performance has been outlined in the financial review above. The trustees have assessed projected future income, expenditure and cash flows over the period to 31 March 2013, and analysed the strength of the charity's reserves and liquid assets and its ability to withstand a material fall in incoming resources. Consideration has been given to donor attrition rates and the stability and diversity of various income streams in making this assessment.

The trustees have concluded that there is a reasonable expectation that the NSPCC 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.



**Mark Wood**  
Chairman  
28 July 2011

# Independent auditor's report to the trustees of 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 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 24. 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).

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993, regulations made under section 44 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. 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 43 of the Charities Act 1993 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. 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 of the parent charity's affairs as at 31 March 2011 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 1993, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 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 1993 and the Charity Accounts (Scotland) Regulations 2006 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.



Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
28 July 2011

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



# Patron, trustees, officers and professional advisers

## Royal Patron

Her Majesty The Queen

## Royal Patron of ChildLine

HRH The Countess of Wessex

## President

Vacant

## Board of trustees

Mark Wood – BA (Hons) FCA MSI DBA

Appointed 19 May 2010

Elected Chairman November 2010

(Audit and Risk, Development, Finance, Nominations and Governance, Remuneration)

Anita Green – BSc (Hons)

Vice Chairman

(Divisional Trustees, Nominations and Governance, Remuneration)

Ann Morrison – BA

Vice Chairman

(Audit and Risk, Nominations and Governance, Divisional Trustees, Remuneration)

Locksley Ryan – BSc PhD

Vice Chairman

(Development, Finance, Nominations and Governance, Remuneration)

Neil Berkett – Bachelor of Commerce and Administration (Victoria NZ)

Appointed 19 May 2010

(Chair of National Development Board)

Jonathan Bloomer – BSc ARCS FCA CCMl

Honorary Treasurer

(Audit and Risk, Finance, Remuneration)

Heather Henshaw MBE

(Divisional Trustees, Finance)

Sir Christopher Kelly – BA (Hons) MA

Chairman

Retired 6 October 2010

Hannah Morris – BSc (Hons) PGCE MSc

(Audit and Risk)

Resigned 24 March 2011

Dame Denise Platt DBE – BSc AIMSW

(Audit and Risk, Development)

Esther Rantzen CBE – MA (Oxon)

(Development and President of ChildLine)

Ann Shaw CBE – MSCP

(Audit and Risk, Divisional Trustees)

Ramez Sousou – BA MBA

Professor Jane Tunstill – BA MA CQSW Cert Ed (Development)

Resigned 17 June 2011

Philippa Webster – FCIPD

(Divisional Trustees, Finance)

Dr Hywel Williams –

MB BS BSc DCH Dobs RCOG FRCP FRCPCH

(Development, Divisional Trustees)

We warmly thank Sir Christopher Kelly for his enormous contribution to our work as trustee and chairman until 6 October 2010.

## Co-opted members

Our thanks are also recorded to the following who bring their special expertise to the committees on which they serve as co-opted members:

Fiona Curteis

(Divisional Trustees)

Hugo Were – BSc

(Finance)

John Worth – BA (Hons) FCA

(Finance)

## Senior management

Chief executive\*

Andrew Flanagan – B Acc CA

Director of communications\*

Ali Jeremy – BSc (Hons)

(appointed 8 November 2010)

Director of corporate planning and performance\*

Nicola Alderson – BSc (Hons)

Director of fundraising\*

Paul Amadi – BA (Hons) MA

Director of finance and corporate services\*

Ian Chivers – BA ACMA AMCT

# Patron, trustees, officers and professional advisers (continued)

(resigned 26 August 2010)

Director of finance and corporate services\*

David Roberts – BA (Hons) ACMA

(appointed 17 January 2011)

Director of services for children and families\*

Wes Cuell – Dip SW (retired 31 March 2011)

Director of services for children and families\*

Carol Long – BSc (Hons) MSc CQSW

(appointed 1 March 2011)

General counsel and company secretary\*

Catherine Dixon – LLB (Hons) Solicitor MBA

Director of child protection consultancy\*

John Grounds – BA (Hons) FRSA

Director of human resources\*

Alistair Milne – BA

Director of strategy and development\*

Phillip Noyes – BA (Hons) MPhil CQSW

Director of ChildLine services\*

Christine Renouf – BA (Hons) CQSW

(resigned 1 October 2010)

Acting director of adult advice and information services  
and ChildLine services\*

Peter Liver – BSc (Hons) CQSW

(appointed Director of ChildLine services

1 December 2010)

Director of internal audit and inspection

Mary Handley – CQSW DipSW

\*NSPCC Executive Board

We thank Wes Cuell, Christine Renouf and Ian Chivers  
for their contributions to the Executive Board.

## 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

Chartered Accountants & Statutory Auditor

2 New Street Square

London EC4A 3BZ

### Legal advisers

Clifford Chance

10 Upper Bank Street

London E14 5JJ

Baker & McKenzie

100 New Bridge Street

London EC4V 6JA

Wragge & Co

142 High Holborn

London WC1N 2SW

Walker Morris

Kings Court

12 King Street

Leeds LS1 2HL

### Investment Advisors

BlackRock

33 King William Street

London EC4R 9AS

UBS AG

1 Curzon Street

London W1J 5UB

M&G Investments

Laurence Pountney Hill

London EC4R 0HH

Henderson Global Investors

201 Bishopsgate

London EC2M 3AE



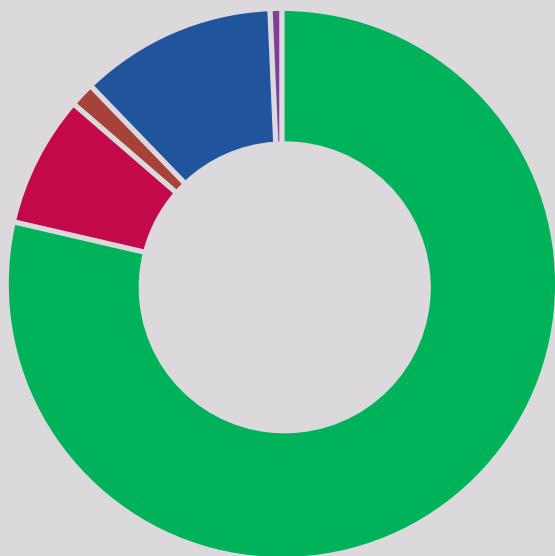


# How you gave your help

## Total incoming resources

£148.6 million

(2010 £152.2 million)



£116.9 million

Donations, gifts and legacies 78.7%

Voluntary donations made by our supporters on a regular or one-off basis. (2010 £116.5 million, 76.5%)

£2.3 million

Investment income 1.5%

Income received from our bank accounts and investment holdings. (2010 £1.8 million, 1.2%)

£17.1 million

Income from carrying out our charitable work 11.5%

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. (2010 £23.2 million, 15.2%)

£11.5 million

Income from fundraising activities 7.7%

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 in their marketing activity. (2010 £9.8 million, 6.4%)

£0.8 million

Other 0.5%

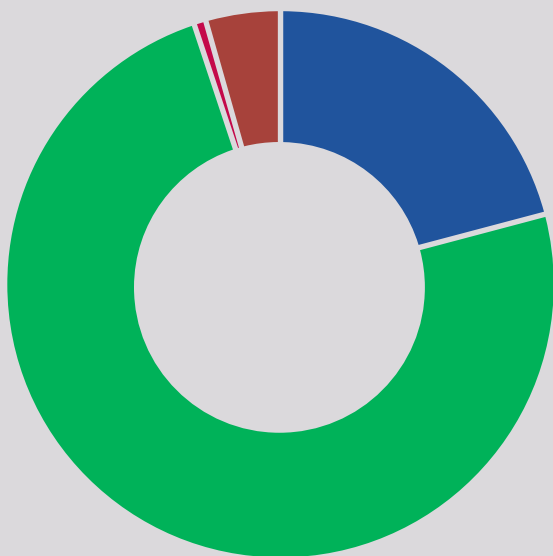
This includes our share of the income of Charityshare, which we jointly owned for part of the year, and other miscellaneous income. (2010 £0.9 million, 0.6%)

# How we helped children

Total resources expended

# £150.6 million

(2010 £157.4 million)



## £31.4 million

Cost of generating income

20.9%

The cost of receiving voluntary donations, undertaking fundraising activities, attracting new supporters and ongoing supporter care. (2010 £30.2 million)

## £1.0 million

Governance

0.7%

Costs incurred in meeting constitutional and statutory requirements. (2010 £1.0 million)

## £111.6 million

Charitable expenditure

74.1%

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

- Services for children and families £46.6 million (2010 £47.9 million)
- ChildLine £26.3 million (2010 £26.1 million)
- Adult advice, influencing and information services £30.6 million (2010 £32.4 million)
- Child protection consultancy £8.0 million (2010 £6.5 million)

(2010 £112.9 million)

## £6.5 million

Other

4.3%

Other costs incurred which are of a one-off nature. (2010 £13.3 million)

# NSPCC consolidated statement of financial activities

for the year ended 31 March 2011

	Notes	General & Designated Funds £'000	Restricted & Endowment Funds £'000	Year to 31 March 2011 £'000	Year to 31 March 2010 £'000
<b>Incoming resources</b>					
Voluntary income (including donations, gifts and legacies)	2	101,388	15,553	116,941	116,499
Activities for generating funds (including fundraising events and sale of goods)	2	5,715	5,792	11,507	9,760
Investment income	2	2,281	25	2,306	1,800
<b>Incoming resources from generated funds</b>		<b>109,384</b>	<b>21,370</b>	<b>130,754</b>	<b>128,059</b>
<b>Incoming resources from charitable activities</b>	3	6,133	10,933	17,066	23,213
<b>Other incoming resources (including profit on disposals of fixed assets)</b>		796	–	796	938
<b>Total incoming resources</b>		<b>116,313</b>	<b>32,303</b>	<b>148,616</b>	<b>152,210</b>
Costs of generating voluntary income	4	28,620	101	28,721	26,214
Fundraising trading: costs of goods sold and other costs	4	1,714	845	2,559	3,942
Investment management costs	4	109	–	109	70
<b>Costs of generating funds</b>		<b>30,443</b>	<b>946</b>	<b>31,389</b>	<b>30,226</b>
<b>Net incoming resources available for charitable application</b>		<b>85,870</b>	<b>31,357</b>	<b>117,227</b>	<b>121,984</b>
Services for children and families		39,318	7,309	46,627	47,938
ChildLine		8,314	18,015	26,329	26,076
Adult advice, influencing and information services		23,012	7,623	30,635	32,374
Child protection consultancy		6,523	1,509	8,032	6,538
<b>Cost of charitable activities</b>	4	<b>77,167</b>	<b>34,456</b>	<b>111,623</b>	<b>112,926</b>
<b>Governance costs</b>	4	1,041	1	1,042	983
<b>Other resources expended</b>	4	4,996	1,536	6,532	13,269
<b>Net incoming/(outgoing) resources before transfers</b>		<b>2,666</b>	<b>(4,636)</b>	<b>(1,970)</b>	<b>(5,194)</b>
Transfer to restricted funds	21	(312)	312	–	–
<b>Net movement in funds before other recognised gains and losses</b>		<b>2,354</b>	<b>(4,324)</b>	<b>(1,970)</b>	<b>(5,194)</b>
<b>Other recognised gains and losses</b>					
(Losses)/gains on investment assets	12	(384)	(7)	(391)	6,624
Actuarial gains on defined benefit pension scheme	19	1,588	–	1,588	7,062
<b>Net movement in funds</b>		<b>3,558</b>	<b>(4,331)</b>	<b>(773)</b>	<b>8,492</b>
Total funds brought forward		54,159	18,100	72,259	63,767
<b>Total funds carried forward</b>		<b>57,717</b>	<b>13,769</b>	<b>71,486</b>	<b>72,259</b>
<b>Note:</b>					
<b>Total incoming resources</b>	2, 3	<b>116,313</b>	<b>32,303</b>	<b>148,616</b>	<b>152,210</b>
<b>Total resources expended</b>	4	<b>113,647</b>	<b>36,939</b>	<b>150,586</b>	<b>157,404</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>2,666</b>	<b>(4,636)</b>	<b>(1,970)</b>	<b>(5,194)</b>

All income relates to continuing operations with the exception of amounts relating to Charityshare Limited, which have been disclosed in note 9.

The net losses on investment assets shown under the Endowment and Restricted Funds column are attributable to permanent endowment investments and along with the

allocation of investment management fees are the only movements on the Permanent Endowment Fund. Details of the Permanent Endowment Fund and the Restricted Funds are shown in notes 21 and 22.

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



# NSPCC and consolidated balance sheets

as at 31 March 2011

	Notes	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
<b>Fixed assets</b>					
Tangible assets	10	31,338	34,736	31,338	34,736
Investments	12	52,560	55,432	52,560	55,432
<b>Total fixed assets</b>		<b>83,898</b>	<b>90,168</b>	<b>83,898</b>	<b>90,168</b>
<b>Current assets</b>					
Debtors	13	8,464	8,695	8,090	8,177
Investments	14	10,683	6,218	10,683	6,218
Cash at bank and in hand	14	231	2,355	149	1,942
<b>Total current assets</b>		<b>19,378</b>	<b>17,268</b>	<b>18,922</b>	<b>16,337</b>
Creditors – amounts falling due within one year	15	(15,290)	(11,446)	(14,913)	(10,548)
<b>Net current assets</b>		<b>4,088</b>	<b>5,822</b>	<b>4,009</b>	<b>5,789</b>
<b>Total assets less current liabilities</b>		<b>87,986</b>	<b>95,990</b>	<b>87,907</b>	<b>95,957</b>
Creditors – amounts falling due after one year	16	(464)	(1,026)	(464)	(1,026)
Provisions for liabilities	17	(9,560)	(12,361)	(9,511)	(12,361)
<b>Net assets excluding pension scheme liability</b>		<b>77,962</b>	<b>82,603</b>	<b>77,932</b>	<b>82,570</b>
Defined benefit pension scheme liability	19	(6,476)	(10,344)	(6,476)	(10,344)
<b>Net assets including pension scheme liability</b>		<b>71,486</b>	<b>72,259</b>	<b>71,456</b>	<b>72,226</b>
<b>Capital funds</b>					
Endowments	21	1,374	1,381	1,374	1,381
<b>Income funds</b>					
Restricted	21	12,395	16,719	12,395	16,719
Unrestricted:					
Designated funds	21	16,721	18,348	16,721	18,348
Free reserves	21	47,472	46,155	47,442	46,122
Unrestricted funds excluding pension liability		64,193	64,503	64,163	64,470
Pension reserve	19	(6,476)	(10,344)	(6,476)	(10,344)
Unrestricted funds including pension liability		57,717	54,159	57,687	54,126
<b>Total funds</b>		<b>71,486</b>	<b>72,259</b>	<b>71,456</b>	<b>72,226</b>

Approved by the Board of Trustees on 28 July 2011 and signed on its behalf by



**Mark Wood**  
Chairman



**Jonathan Bloomer**  
Treasurer

# Consolidated cash flow statement

for the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Net cash inflow from operating activities	a	667	9,416
Returns on investments and servicing of finance	b	2,306	2,038
Capital expenditure and financial investment	c	(632)	(6,925)
Net cash inflow before management of liquid resources		2,341	4,529
Management of liquid resources	d	(4,465)	(3,140)
<b>(Decrease)/increase in cash in the year</b>		<b>(2,124)</b>	<b>1,389</b>
<b>Notes to the cash flow statement</b>		<b>2011 £'000</b>	<b>2010 £'000</b>
<b>a. Reconciliation of net outgoing resources to net cash inflow from operating activities</b>			
Net outgoing resources before other recognised gains and losses		(1,970)	(5,194)
Investment income		(2,306)	(1,800)
Depreciation		3,811	4,051
Impairment charges		1,902	9,257
Loss/(gain) on disposal of tangible fixed assets		798	(103)
(Increase)/decrease in debtors		231	3,231
Increase/(decrease) in creditors		3,282	(4,798)
Difference between pension contributions paid and charges made		(2,280)	333
(Decrease)/increase in other provisions		(2,801)	4,439
<b>Net cash inflow from operating activities</b>		<b>667</b>	<b>9,416</b>
<b>b. Returns on investments and servicing of finance</b>			
Investment income received		2,306	2,038
<b>c. Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(4,647)	(6,968)
Sale of tangible fixed assets		1,534	125
Purchase of investments		(23,937)	(43,335)
Sale of investments		26,418	43,253
<b>Total</b>		<b>(632)</b>	<b>(6,925)</b>
<b>d. Management of liquid resources</b>			
(Increase) in short term investments		(4,465)	(3,140)
<b>e. Analysis of changes in net funds</b>	<b>1 April 2010 £'000</b>	<b>Cash Flow £'000</b>	<b>31 March 2011 £'000</b>
Cash at bank and in hand	2,355	(2,124)	231
Short term investments	6,218	4,465	10,683
<b>Total</b>	<b>8,573</b>	<b>2,341</b>	<b>10,914</b>
<b>f. Reconciliation of net cash flow to movement in net funds</b>		<b>2011 £'000</b>	<b>2010 £'000</b>
(Decrease)/increase in cash in the year		(2,124)	1,389
Cash used to increase liquid resources		4,465	3,140
<b>Change in net funds</b>		<b>2,341</b>	<b>4,529</b>
Net funds balance brought forward		8,573	4,044
<b>Net funds balance carried forward</b>		<b>10,914</b>	<b>8,573</b>

# Notes to the consolidated accounts

for the year ended 31 March 2011

## 1. Accounting policies

### 1.1 Basis of accounting

The accounts have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), published in March 2005, the Charities Act and applicable UK accounting standards. The accounts are prepared under the historical cost convention as modified for the revaluation of investments.

After making enquiries, the trustees have a reasonable expectation that the Society and its subsidiaries have adequate resources to continue its 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, wholly-owned subsidiaries, have been consolidated on a line-by-line basis in the Statement of Financial Activities (SOFA) and Balance Sheet. Please note that where ChildLine is used to describe part of charitable expenditure by activity, this does not refer solely to the results of the statutory entity. 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.

The NSPCC reduced its interest in, and then disposed of, Charityshare Limited during the year. From 1 April 2010 to 30 June 2010, the NSPCC held a 33.3 per cent share of the joint arrangement with The Children's Society and The Alzheimer's Society. On 1 July 2011, Age UK joined the arrangement and from that point each party held a 25 per cent share. The NSPCC disposed of its interest in Charityshare on 20 December 2010. During the period of ownership, the NSPCC has accounted for Charityshare Limited as a joint arrangement that is not an entity (JANE) in accordance with FRS 9.

### 1.3 Incoming resources

All incoming resources are accounted for in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the date of receipt. Income is not recognised for legacies which remain subject to a life interest.

Income received from the many thousands of fundraising activities organised by volunteers (excluding major events which are separately accounted for through the Trading Company) is in many cases received net of related expenditure. In order to reflect the gross position, an estimate of the expenditure has been calculated according to payments made out of the

branch bank accounts, and 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. Income that has a time restriction placed on it by the donor or income that may become refundable is deferred as shown in note 18.

### 1.4 Resources expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Costs of generating funds include the costs incurred in generating voluntary income, fundraising trading costs and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities expenditure enables the NSPCC to meet its charitable aims and objectives. Governance costs are associated with the governance arrangements of the charity and relate to the general running of the charity. These costs include external and internal audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of the statutory accounts. Support costs are those costs which enable fund generating and charitable activities to be undertaken. These costs include finance, human resources, information systems, communications, property management and legal costs. Where expenditure incurred relates to more than one cost category, it is apportioned. The method of apportionment uses the most appropriate basis in each case. 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 personal laptops in use. Reference should be made to note 5 for further information on the allocation of Adult advice, influencing and information services expenditure.

Any irrecoverable VAT is included as part of the cost to which it relates. The amount suffered in the year is disclosed in note 4.

### 1.5 Fund accounting

**General funds** – these are funds which can be used in accordance with the NSPCC's charitable objects at the discretion of the trustees.



# Notes to the consolidated accounts (continued)

## Note 1. Accounting policies (continued)

**Designated funds** – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

**Restricted funds** – these are funds received for undertaking an activity specified by the donor.

**Endowment funds** – these are funds where the assets must be held permanently by the charity, principally in the form of investments.

Income from endowments is included, together with income from restricted funds, in incoming resources. 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 included in notes 21 and 22.

### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation 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

Major software development is any system with a capital cost in excess of £1 million.

No depreciation is provided on freehold land. Tangible fixed assets costing less than £2,000 are not capitalised, and are written off in the year of purchase.

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.

### 1.7 Investments

Other than investments in subsidiaries, which are stated at cost and donated shares as in the paragraph below, investments are stated at market value.

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 or 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.

### 1.8 Pension costs and balance sheet provision

For the defined benefit scheme the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme 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. Full actuarial valuations are obtained triennially.

### 1.9 Operating leases

Expenditure on operating leases is accounted for on a straight-line basis over the life of the lease.

### 1.10 Finance leases

Assets held under finance leases are capitalised at their fair value, and provision for depreciation is made over the shorter of the lease term and their useful lives. The present value of the future lease payments is shown as a liability under obligations under finance leases. The implicit finance charge is charged to the statement of financial activities in the year that it arises over the period of the lease to produce a constant rate of charge on the balance of capital repayment outstanding.

### 1.11 Corporation tax

The NSPCC as a registered charity is exempt from Corporation tax under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) 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.

## 2. Analysis of incoming resources from generated funds

	Total 2011 £'000	Total 2010 £'000
<b>Voluntary income</b>		
Monthly donations from individuals	70,831	70,122
Legacies	20,075	20,338
Community fundraising	7,358	8,417
Other donations and gifts	18,677	17,622
<b>Total voluntary income</b>	<b>116,941</b>	<b>116,499</b>
<b>Activities for generating funds</b>		
Sale of goods	203	316
Fundraising events	8,897	7,220
Other*	2,407	2,224
<b>Total activities for generating funds</b>	<b>11,507</b>	<b>9,760</b>
<b>Investment income</b>		
Dividends – UK	100	143
Interest	1,928	1,594
Net return on pension scheme assets	278	63
<b>Total investment income</b>	<b>2,306</b>	<b>1,800</b>

\*Other income in activities for generating funds includes sponsorship, promotions, training, sundry sales, lotteries and rental income, none of which are individually material.

Donated services amounted to £348,000 (2010 £237,000) and have been recognised as voluntary income within other donations and gifts.

Other donations and gifts also includes £385,000 (2010 £nil) income received for a capital purpose.

## 3. Analysis of income from charitable activities

Income raised by the following child protection activities:

	Total statutory funding			Other funding			
	Income from SLAs £'000	Donated services & facilities £'000	Grants & one-off fees £'000	Fees from non- statutory bodies £'000	Sale of training materials £'000	Total 2011 £'000	Total 2010 £'000
Services for children and families	4,454	251	1,364	578	–	6,647	8,682
ChildLine	131	32	7,322	10	–	7,495	11,437
Adult advice, influencing and information services	–	–	–	48	–	48	95
Child protection consultancy	85	–	1,212	1,274	305	2,876	2,999
<b>Total incoming resources from charitable activities</b>	<b>4,670</b>	<b>283</b>	<b>9,898</b>	<b>1,910</b>	<b>305</b>	<b>17,066</b>	<b>23,213</b>

Donated services and facilities under service level agreements amounted to £125,000 (2010 £320,000) in respect of staff secondments, and £158,000 (2010 £375,000) in respect of premises and other facilities which have been recognised as gifts in kind.

Grants and one-off fees includes £nil (2010 £2,449,000) income received for a capital purpose.

Statutory bodies are government agencies or departments whereas non-statutory are not government related.

Charitable income categorisation has been changed this year in line with the change to charitable expenditure categorisation (see note 4). The prior year comparatives have been restated accordingly.

# Notes to the consolidated accounts (continued)

## 4. Analysis of total resources expended

	Notes	Direct costs £'000	Support costs £'000	Total 2011 £'000	Total 2010 £'000
<b>Costs of generating funds</b>					
<b>Costs of generating voluntary income</b>					
Costs of raising monthly donations from individuals		13,589	295	13,884	12,236
Costs of raising legacy income		1,024	78	1,102	1,740
Costs of community fundraising		4,785	419	5,204	4,738
Costs of raising other voluntary income		7,849	682	8,531	7,500
<b>Total costs of generating voluntary income</b>		<b>27,247</b>	<b>1,474</b>	<b>28,721</b>	<b>26,214</b>
<b>Costs of fundraising trading</b>					
Costs of sales of goods		216	12	228	303
Costs of fundraising events		1,807	2	1,809	2,796
Costs of other activities for generating funds		505	17	522	843
<b>Total costs of fundraising trading</b>		<b>2,528</b>	<b>31</b>	<b>2,559</b>	<b>3,942</b>
Investment manager costs		109	–	109	70
<b>Total costs of generating funds</b>	<b>5</b>	<b>29,884</b>	<b>1,505</b>	<b>31,389</b>	<b>30,226</b>
<b>Activities to end cruelty to children</b>					
Services for children and families		42,698	3,929	46,627	47,938
ChildLine		24,656	1,673	26,329	26,076
Adult advice, influencing and information services	5	29,216	1,419	30,635	32,374
Child protection consultancy		7,389	643	8,032	6,538
<b>Total costs of charitable activities</b>		<b>103,959</b>	<b>7,664</b>	<b>111,623</b>	<b>112,926</b>
<b>Total governance costs</b>	<b>7</b>	<b>1,042</b>	<b>–</b>	<b>1,042</b>	<b>983</b>
<b>Other resources expended</b>					
Dilapidations provision		(711)	–	(711)	(225)
Restructuring costs		4,154	–	4,154	807
Write down of property and equipment		1,630	–	1,630	7,940
Other costs		663	–	663	3,913
Share of expenditure of joint arrangement not an entity; Charityshare Limited	9	796	–	796	834
<b>Total other resources expended</b>		<b>6,532</b>	<b>–</b>	<b>6,532</b>	<b>13,269</b>
<b>Total resources expended</b>		<b>141,417</b>	<b>9,169</b>	<b>150,586</b>	<b>157,404</b>

Included in total resources expended is irrecoverable Value Added Tax of £7,087,000 (2010 £5,986,000).

During the year the NSPCC reviewed the categories of charitable expenditure used to describe its work; these are outlined below. The prior year comparatives have been restated accordingly.

The NSPCC has recorded income of £1.8 million relating to the sale of an asset prior to the balance sheet date. The purchaser

has requested to make staged payments, with an initial payment of £0.5 million. The NSPCC retains full title to the asset until payment has been made in full, and has provided for £1.3 million of the outstanding debt within other resources expended.

During the year, the NSPCC completed a full review of the



potential liability to dilapidations at the end of the leases on occupied buildings and revised its assumptions accordingly. The movement on the provision reflects revised assumptions based on historical evidence, the vacation of properties at the end of the lease term and the commitment to new leases.

The provision for restructuring relates to the cost of redundancies, onerous leases and building works to be incurred as a result of the NSPCC's restructuring.

**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.

**ChildLine** – 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; work with primary schools to educate children about how to protect themselves; and children and young people's participation activities.

**Adult advice, influencing and information services** – 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 and Information Line (CTAIL); the provision of comprehensive and expert information services; 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; public campaigning; work in partnership with other bodies; and representation on boards and committees where the NSPCC can influence change.

**Cost of raising voluntary income** – promoting the awareness of the NSPCC and its work to create the income flow needed to support our activities.

**Cost of fundraising trading** – investing in products and organising events to create the income flow needed to support our activities.

**Governance costs** – the costs of internal audit, legal advice and costs associated with meeting constitutional and statutory requirements.

<b>Total resources expended is stated after charging</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Operating lease rentals</b>		
Plant and machinery	55	78
Other	3,283	3,245
<b>Fees payable to the Charity's auditors for</b>		
The audit of the Charity and Group accounts	97	88
The audit of the Charity's subsidiaries' accounts pursuant to legislation	10	6
<b>Total audit fees</b>	<b>107</b>	<b>94</b>
Tax services	5	24
Other consultancy	–	193
Consultancy provided on a pro-bono basis (recognised as a gift in kind)	–	237
<b>Total non-audit fees</b>	<b>5</b>	<b>454</b>
<b>Depreciation</b>		
On assets held under finance leases	–	42
On owned assets	3,811	4,009
<b>Trustees' expenses</b>		
Trustees' travel and other expenses	42	6

The trustees are not entitled to and did not receive any remuneration during the year (2010 £nil). Total trustees expenses of £42,000 in 2011 includes a payment of £26,000 in relation to amounts owing in respect of prior years.

Eight trustees reclaimed travel and other expenses during the year (2010 eight). During the year, the NSPCC paid indemnity insurance in respect of the trustees of £13,157 (2010 £12,300).

# Notes to the consolidated accounts (continued)

## 5. Adult advice, influencing and information services

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;
- 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 adult advice, influencing and information services has a parallel purpose of encouraging potential donors to contribute funds to achieve the mission of the NSPCC.

	2011		2010	
	Costs of generating funds £'000	Adult advice, influencing & information services £'000	Costs of generating funds £'000	Adult advice, influencing & information services £'000
Charged directly	4,912	11,251	2,098	10,504
Allocated costs	24,972	17,965	26,656	20,553
<b>Sub-total</b>	<b>29,884</b>	<b>29,216</b>	<b>28,754</b>	<b>31,057</b>
Support costs allocated	1,505	1,419	1,472	1,317
<b>Total</b>	<b>31,389</b>	<b>30,635</b>	<b>30,226</b>	<b>32,374</b>

Expenditure incurred each year is, where possible, charged directly to influencing or the costs of generating funds. Where there is more than one purpose, costs are shared between the activities in proportion to the work undertaken.

Charitable expenditure categorisation has been changed this year to include influencing costs within the new charitable expenditure category Adult advice, influencing and information services. Prior year comparatives have been restated accordingly.

## 6. Allocation of support costs

Type of cost	Total allocated to fundraising £'000	Total allocated to charitable activities £'000	Total 2011 £'000	Total 2010 £'000
Divisional management	41	511	552	1,268
Central management and administration	663	4,109	4,772	4,046
Premises, legal and other support costs	801	3,044	3,845	3,431
<b>Total support costs allocated</b>	<b>1,505</b>	<b>7,664</b>	<b>9,169</b>	<b>8,745</b>

Divisional management costs are the support costs which enable the functioning of divisional offices, including divisional human resources.

Central management and administration costs are the support costs which enable fundraising and charitable work to be carried out. These costs include the relevant proportion of central finance, human resources and information systems that support frontline services.

Premises costs are the costs which enable the buildings from which the Society operates to function effectively.

Information systems and communications costs are allocated, where appropriate, directly to the frontline services. Those elements used by support functions and the elements not otherwise directly allocated are included in support costs.

Support costs are generally 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.

## 7. Governance costs

	2011 £'000	2010 £'000
Governance and professional support for trustees	935	889
External audit	107	94
<b>Total governance costs</b>	<b>1,042</b>	<b>983</b>

Governance and professional support costs represent the costs of internal audit, legal advice and costs associated with meeting constitutional and statutory requirements.

## 8. Employees

	2011 £'000	2010 £'000
<b>Total staff costs</b>		
Wages and salaries	60,520	57,803
Cost of seconded staff	583	330
Social security costs	6,346	5,851
Pension costs	5,274	7,264
<b>Total</b>	<b>72,723</b>	<b>71,248</b>

The average number of employees on the payroll for the year was 2,220 (2010 2,249). The average number of employees, calculated on a full time equivalent basis for the year was 1,855 (2010 1,871). The NSPCC operates a family-friendly policy encouraging part-time work and job-sharing.

The above numbers include staff responsible for the management and support of the volunteers involved in fundraising, and the costs of seconded staff relate to those staff provided to us as part of a service level agreement usually with a local authority.

### Remuneration policy and benefits

The Society bases its reward policies and strategies on the needs of the organisation. Salaries in general are determined by reference to local authority scales and grades, and where appropriate are adjusted to reflect market rates. Executive Board and Chief Executive remuneration is decided by the Trustee Remuneration Committee which has access to externally prepared data. The Society undertakes a benchmarking exercise against other comparable organisations to ensure suitable rates of salary are paid to all our staff. Details on the NSPCC pension schemes open to employees are set out in note 19. Cars or an employee car ownership plan are provided to employees if their job requires a significant amount of business travel.

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

	2011 Number	2010 Number
Activities to end cruelty to children	1,326	1,345
Generating funds	365	371
Support and governance	164	155
<b>Total</b>	<b>1,855</b>	<b>1,871</b>



# Notes to the consolidated accounts (continued)

## Note 8. Employees (continued)

The number of employees whose emoluments (including benefits in kind) as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2011 Number	2010 Number
£150,001 – £160,000	1	1
£120,001 – £130,000	1	–
£110,001 – £120,000	1	–
£100,001 – £110,000	4	5
£80,001 – £90,000	2	1
£70,001 – £80,000	9	13
£60,001 – £70,000	17	11
<b>Total</b>	<b>35</b>	<b>31</b>

32 out of the 35 employees earning more than £60,000 participated in the defined contribution (stakeholder) pension scheme (26 of the 31).

Employer contributions to the stakeholder scheme for employees earning over £60,000 in the year were £260,000 (2010 £98,000).

Employer contributions to the defined benefit scheme for employees earning over £60,000 in the year were £nil (2010 £229,000). The defined benefit scheme was closed during the year ending 31 March 2010 and active members were offered membership of the stakeholder scheme. Of the 21 active members at the date of closure, 19 transferred into the stakeholder scheme.

## 9. Subsidiary companies, joint venture 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. The Charity disposed of its interest in Charityshare Limited, a joint arrangement not an entity (JANE), in December 2010.

### Charityshare Limited

Charityshare Limited is incorporated in the UK. It was set up as a vehicle to share information technology services between NSPCC and the Children's Society, and was jointly and

equally owned by the two participants. On 29 March 2007 The Alzheimer's Society joined Charityshare and was allocated a one-third share of the Company. NSPCC held a 33.3 per cent interest in Charityshare from this date. On 1 July 2010, Age UK joined Charityshare and was allocated a one-quarter share of the Company. NSPCC held a 25 per cent interest in Charityshare from this date. On 20 December 2010, NSPCC disposed of its interest in Charityshare. In the year to 31 March 2010, the NSPCC interest in the turnover and cost of sales of Charityshare has been consolidated on a line by line basis up to the date of disposal. At 31 March 2011, the NSPCC no longer held an interest in Charityshare and therefore has not taken any part of its assets and liabilities into the balance sheet at that date.

### NSPCC interest in Charityshare Limited

	2011 NSPCC share £'000	2011 Eliminate on consolidation £'000	2011 NSPCC interest £'000	2010 NSPCC interest £'000
<b>Profit and loss account</b>				
Turnover	1,441	(645)	796	835
Cost of sales and administration costs	(1,440)	645	(795)	(834)
<b>Retained profit for the year</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>1</b>
<b>Assets, liabilities and funds</b>				
Assets	–	–	–	484
Liabilities	–	–	–	(482)
<b>Total funds including the NSPCC's holding of one A share of £1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>

### NSPCC Trading Company Limited

NSPCC Trading Company Limited (NSPCC Trading) is incorporated in the UK. 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 the remaining NSPCC charity shop.

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

	NSPCC trading 2011 £'000	NSPCC trading 2010 £'000
<b>Profit and loss account</b>		
Turnover	5,070	4,806
Cost of sales	(1,038)	(1,598)
<b>Gross profit</b>	<b>4,032</b>	<b>3,208</b>
Net operating costs	(778)	(513)
<b>Operating profit</b>	<b>3,254</b>	<b>2,695</b>
Interest receivable	–	–
<b>Profit on ordinary activities before gift aid payment</b>	<b>3,254</b>	<b>2,695</b>
Amount gift aided to NSPCC and ChildLine	(3,254)	(2,695)
<b>Retained profit for the year</b>	<b>–</b>	<b>–</b>
<b>Assets, liabilities and funds</b>		
Assets	1,556	915
Liabilities	(1,526)	(885)
<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.

### NSPCC results (excluding subsidiaries) and ChildLine

ChildLine is a charitable company limited by guarantee, registered in England and Wales and incorporated in the UK. ChildLine became a subsidiary from 1 February 2006. Funds raised by ChildLine are paid by way of grant to the NSPCC.

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

	NSPCC excluding subsidiaries 2011 £'000	ChildLine 2011 £'000	NSPCC excluding subsidiaries 2010 £'000	ChildLine 2010 £'000
Total incoming resources	146,014	827	149,274	695
Total resources expended	(147,981)	(827)	(154,469)	(695)
<b>Net outgoing resources</b>	<b>(1,967)</b>	<b>–</b>	<b>(5,195)</b>	<b>–</b>
(Loss)/gain on investment assets	(391)	–	6,624	–
Actuarial gain on defined benefit schemes	1,588	–	7,062	–
<b>Net movement in funds</b>	<b>(770)</b>	<b>–</b>	<b>8,491</b>	<b>–</b>
Funds balance brought forward	72,226	–	63,735	–
<b>Funds balance carried forward</b>	<b>71,456</b>	<b>–</b>	<b>72,226</b>	<b>–</b>

The total incoming resources figure for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £3,254,000 (2010 £2,695,000) and the grant from ChildLine of £827,000 (2010 £695,000).

# Notes to the consolidated accounts (continued)

## 10. Tangible fixed assets

Group and charity	Freehold property £'000	Leasehold property £'000	Furniture, fittings, equipment & computer software £'000	Total £'000
<b>Cost</b>				
1 April 2010	27,204	16,560	22,051	65,815
Additions	393	2,087	2,167	4,647
Disposals	(985)	(1,472)	(6,338)	(8,795)
<b>31 March 2011</b>	<b>26,612</b>	<b>17,175</b>	<b>17,880</b>	<b>61,667</b>
<b>Depreciation</b>				
1 April 2010	10,826	7,604	12,649	31,079
Impairment charges	354	1,510	38	1,902
Charge for year	359	862	2,590	3,811
Disposals	(324)	(1,048)	(5,091)	(6,463)
<b>31 March 2011</b>	<b>11,215</b>	<b>8,928</b>	<b>10,186</b>	<b>30,329</b>
<b>Net book value</b>				
<b>31 March 2011</b>	<b>15,397</b>	<b>8,247</b>	<b>7,694</b>	<b>31,338</b>
31 March 2010	16,378	8,956	9,402	34,736

The Society undertakes an external valuation of its property portfolio on a triennial basis. The most recent full valuation was performed by Colliers CRE, Chartered Surveyors, in 2009. The valuation was performed on the basis of market value, existing use value and market rent. This valuation was used in the prior year to carry out a full impairment review to determine

net realisable value and value in use. Where the net book value was higher than the recoverable amount, the assets were written down accordingly. The review was updated in current year for any vacant properties where value in use was deemed to be nil. Where necessary an updated market valuation was obtained from Colliers CRE.

## 11. Capital commitments

There were capital commitments of £nil at 31 March 2011 (2010 £210,000).



## 12. Investments

	Group and Charity	
	2011 £'000	2010 £'000
Market value at 1 April	55,432	48,964
Purchases at cost	23,937	43,335
Disposals at carrying value	(26,418)	(43,253)
Less adjustment for dividend income reflected in valuation	–	(238)
(Decrease)/increase in market value (excluding movement in value of donated shares)	(391)	6,624
<b>Value at 31 March</b>	<b>52,560</b>	<b>55,432</b>
Historical cost as at 31 March	51,501	53,517

The listed investments include shares in six companies, two listed on the Alternative Investment Market, the others unlisted, which the charity accepted as donations under the condition that they would not be sold until various dates up to

March 2007. At 31 March 2011 the value of the listed shares was £185,000 (2010 £39,000). Due to the illiquidity of these shares, they have been conservatively valued at £nil.

**At the balance sheet date, the portfolio was invested as follows:**

	2011 £'000	2010 £'000
UK equity shares	–	3,459
UK fixed interest bonds and deposits	26,713	26,561
UK deposit bank accounts	25,318	24,877
UK cash instruments	529	535
<b>Value at 31 March</b>	<b>52,560</b>	<b>55,432</b>

**At 31 March 2011 the following investments represented more than 5 per cent of the portfolio by market value:**

	%	Value £'000
Henderson Pref & Bond CLS	9.2	4,859
M&G Corporate Bond Fund	21.4	11,242
Bank of Scotland Deposit Account	9.3	4,862
RBS Call Plus Account	17.6	9,236
Barclays Fixed Deposit	5.9	3,090
Cater Allen Fixed Deposit	9.0	4,753

## 13. Debtors

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	3,242	2,310	1,717	1,884
Amounts due from group undertakings	–	–	1,100	467
Other debtors	1,770	2,724	1,707	2,641
Prepayments	1,584	1,418	1,321	1,164
Accrued income	1,868	2,243	2,245	2,021
<b>Total</b>	<b>8,464</b>	<b>8,695</b>	<b>8,090</b>	<b>8,177</b>

# Notes to the consolidated accounts (continued)

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

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Current investments	10,683	6,218	10,683	6,218
Cash at bank and in hand	231	2,355	149	1,942
<b>Total</b>	<b>10,914</b>	<b>8,573</b>	<b>10,832</b>	<b>8,160</b>

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

The amount of cash at bank and in hand for both the group and the charity is after deducting £409,000 relating to cash held as an agent (2010 £409,000). This relates to grant income received by the NSPCC which had not been paid to the beneficiary as at 31 March 2011.

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

	Notes	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Obligations under finance leases falling due within one year		–	41	–	41
Trade creditors		8,126	6,930	8,126	6,661
Other creditors		2,737	979	2,598	719
Accruals		3,565	2,561	3,542	2,460
Deferred income	18	862	935	647	667
<b>Total</b>		<b>15,290</b>	<b>11,446</b>	<b>14,913</b>	<b>10,548</b>

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

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Accruals	253	795	253	795
Deferred VAT liability	211	231	211	231
<b>Total</b>	<b>464</b>	<b>1,026</b>	<b>464</b>	<b>1,026</b>

## 17. Provisions

	Dilapidations on leasehold properties 2011 £'000	Restruc- turing 2011 £'000	Other 2011 £'000	Total Charity 2011 £'000	Restruc- turing 2011 £'000	Total Group 2011 £'000
Opening balance at 31 March 2010	5,606	2,422	4,333	12,361	–	12,361
Increase in provision in the year	355	4,526	193	5,074	49	5,123
Utilised in the year	(1,345)	(2,419)	(4,160)	(7,924)	–	(7,924)
<b>Closing balance at 31 March 2011</b>	<b>4,616</b>	<b>4,529</b>	<b>366</b>	<b>9,511</b>	<b>49</b>	<b>9,560</b>
<b>Commitments are likely to be met:</b>						
Within one year	2,711	2,721	366	5,798	49	5,847
After one year and less than five years	1,809	756	–	2,565	–	2,565
After five years	96	1,052	–	1,148	–	1,148
<b>Total</b>	<b>4,616</b>	<b>4,529</b>	<b>366</b>	<b>9,511</b>	<b>49</b>	<b>9,560</b>

The provision for dilapidations on leasehold properties relates to the estimated future cost of building work required at the end of the lease, in order to meet the conditions of the lease.

The provision for restructuring relates to the cost of redundancies, onerous leases and building works to be incurred as a result of the NSPCC's restructuring.

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

## 18. Deferred income

	1 April 2010 £'000	Deferred £'000	Released £'000	31 March 2011 £'000
Statutory sources	87	35	(87)	35
Other charitable sources	186	70	(186)	70
Income from fundraising activities	394	542	(394)	542
<b>Total for the Charity</b>	<b>667</b>	<b>647</b>	<b>(667)</b>	<b>647</b>
Income from fundraising activities	134	215	(134)	215
Income from Charityshare	134	–	(134)	–
<b>Total for the Group</b>	<b>935</b>	<b>862</b>	<b>(935)</b>	<b>862</b>

The main reasons for deferrals are as follows:

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Time restrictions imposed by funder	35	87	35	87
Potentially refundable income received for future events	757	528	542	394
Other deferrals	70	320	70	186
<b>Total</b>	<b>862</b>	<b>935</b>	<b>647</b>	<b>667</b>



# Notes to the consolidated accounts (continued)

## 19. 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 £4,774,000 (2010 £2,592,000). As at 31 March 2011, £449,000 was outstanding (2010 £365,000).

### NSPCC defined benefit pension scheme

The Society operates a funded defined benefit scheme, the NSPCC Pension Scheme, the assets of which are held in a specific trust separately from those of the Society. Contributions are paid to the scheme as agreed with the scheme's trustees.

Following a consultation period with staff, the NSPCC implemented changes to the scheme which took effect from 31 December 2009. From that date the scheme was closed to future accrual, and members of the scheme were instead offered membership of the defined contribution scheme from 1 January 2010.

### Accounting for the defined benefit scheme under FRS17

The full actuarial valuation of the defined benefit scheme as at 31 March 2009 was updated to 31 March 2011, by an independent qualified actuary in accordance with FRS17. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method.

The expected rate of return on the scheme's assets for the financial year ending 31 March 2011 was 6.2 per cent pa (2010 6.7 per cent pa). This rate is derived by taking the weighted average of the long term expected rate of return on each of the asset classes that the scheme was invested in at 31 March 2010. For 2011, the overall expected rate of return on assets has been reduced by a 0.4 per cent pa deduction for administration expenses.

The estimated amount of total employer contributions expected to be paid to the scheme during 2012 is £2,000,000 (2011 actual: £2,500,000). This figure relates to contributions that will be payable by the Society in accordance with the Schedule of Contributions towards the scheme's deficit.

The following table sets out the key FRS17 assumptions used for the scheme:

Assumptions	2011	2010
Price inflation	3.60% pa	3.80% pa
Discount rate	5.25% pa	5.25% pa
Pension increases (5% LPI)	3.50% pa	3.70% pa
Salary growth	n/a	n/a
Life expectancy of male aged 60	27.3 years	25.8 years

Allowance is made for future improvements in life expectancy. Following the closure of the scheme, benefits which were previously linked to salary now increase in line with inflation.

The amounts included in the balance sheet arising from the NSPCC's obligations in respect of the defined benefit scheme for the current and previous four periods are as follows:

	31 March 2011 £'000	31 March 2010 £'000	31 March 2009 £'000	31 March 2008 £'000	31 March 2007 £'000
Fair value of assets	148,168	141,371	106,474	128,600	125,402
Present value of liabilities	(154,644)	(151,715)	(123,547)	(133,839)	(127,540)
<b>Deficit in the scheme, equalling the net pension liability</b>	<b>(6,476)</b>	<b>(10,344)</b>	<b>(17,073)</b>	<b>(5,239)</b>	<b>(2,138)</b>

The following amounts have been included within total resources expended under FRS17 in relation to the defined benefit scheme:

	2011 £'000	2010 £'000
Employer's part of current service cost	–	4,175
Past service cost	500	500
Interest cost	7,827	7,069
Expected return of scheme's assets	(8,105)	(7,132)
<b>Total expense</b>	<b>222</b>	<b>4,612</b>

The reduction in expense follows the closure to accrual of the defined benefit scheme.

The current allocation of the scheme's assets is as follows:

	2011 £'000	2010 £'000
Equities	39,307	75,786
Bonds	58,816	54,654
Property	9,426	8,887
Absolute return fund	19,301	–
Diversified growth fund	19,841	–
Cash/other	1,477	2,044
<b>Total assets</b>	<b>148,168</b>	<b>141,371</b>

Changes in the present value of the scheme liabilities over the year are as follows:

	2011 £'000	2010 £'000
Opening value of scheme liabilities	151,715	123,547
Employer's part of current service cost	–	4,175
Past service cost	500	500
Interest cost	7,827	7,069
Contributions from scheme members	–	307
Actuarial (gain)/loss	(89)	21,888
Benefits paid	(5,309)	(5,771)
<b>Closing value of scheme liabilities</b>	<b>154,644</b>	<b>151,715</b>

Changes in the fair value of the scheme assets over the year are as follows:

	2011 £'000	2010 £'000
Opening value of scheme assets	141,371	106,474
Expected return on plan assets	8,105	7,132
Actuarial gain	1,501	28,950
Contributions by the employer	2,500	4,279
Contributions by scheme members	–	307
Benefits paid	(5,309)	(5,771)
<b>Closing value of scheme assets</b>	<b>148,168</b>	<b>141,371</b>

The actual return on the scheme's assets over the year was a gain of £9,606,000 (2010: gain of £36,082,000).

# Notes to the consolidated accounts (continued)

## Note 19. NSPCC pension schemes (continued)

The following amounts for 2007-2011 have been recognised under the “actuarial gains and losses on defined benefit pension scheme” heading within the statement of financial activities:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Actual return less expected return on scheme assets	1,501	28,950	(32,677)	(11,294)	(2,837)
Percentage of scheme's assets	1%	20%	(31%)	(9%)	(2%)
Experience gains and (losses) arising on scheme's liabilities	–	3,796	–	(11)	5,296
Percentage of the FRS17 value of the scheme's liabilities	–	3%	–	–	4%
Gain or (loss) due to changes in assumptions underlying the present value of the scheme liabilities	89	(25,684)	21,206	8,206	6,774
Percentage of the FRS17 value of the scheme's liabilities	–	17%	17%	6%	5%
Actuarial gain/(loss)	1,588	7,062	(11,471)	(3,098)	9,233
Percentage of the FRS value of the scheme's liabilities	1%	5%	9%	2%	7%

The cumulative amount of actuarial gains and losses recognised under the above heading in the statement of financial activities since 1 April 2002 is a loss of £10,163,000.

## 20. Annual operating lease commitments

Annual operating lease commitments of the Group and Charity at 31 March are in respect of leases expiring:

	Land & buildings 2011 £'000	Other 2011 £'000	Land & buildings 2010 £'000	Other 2010 £'000
Within one year	639	100	982	10
Between one and five years	1,588	76	1,266	230
After five years	100	–	207	13
<b>Total</b>	<b>2,327</b>	<b>176</b>	<b>2,455</b>	<b>253</b>



## 21. Endowment, restricted and designated funds

	Balance 1 April 2010 £'000	Incoming resources £'000	Outgoing resources £'000	Gains & losses £'000	Transfers £'000	Balance 31 March 2011 £'000
<b>Permanent endowment funds</b>						
<b>Charity</b>						
Permanent Endowment Fund	1,352	–	–	(7)	–	1,345
N Natchbull Endowment Fund	10	–	–	–	–	10
M Glaister Fund	10	–	–	–	–	10
A Sykes Fund	9	–	–	–	–	9
<b>Total permanent endowment funds</b>	<b>1,381</b>	<b>–</b>	<b>–</b>	<b>(7)</b>	<b>–</b>	<b>1,374</b>
<b>Restricted funds</b>						
<b>Charity</b>						
Projects and helplines funded by local authorities and other statutory bodies	35	2,256	(2,286)	–	–	5
Projects funded by the Big Lottery Fund (see i)	–	242	(242)	–	–	–
Projects funded by City Bridge Trust (see ii)	–	60	(60)	–	–	–
Project funded by London Councils (see iii)	22	230	(232)	–	–	20
Helpline Development Project funded by DfE (see iv)	2,841	6,499	(7,542)	–	–	1,798
Activities to end cruelty to children funded by restricted donations from the FULL STOP Appeal	2,865	762	(2,155)	–	–	1,472
ChildLine restricted funds received by NSPCC	924	3,520	(4,117)	–	–	327
Helpline Development Project funded by Child's Voice Appeal	1,440	9,749	(10,577)	–	–	612
Acquisition of buildings	4,305	417	(357)	–	312	4,677
Child Trafficking Helpline funded by Home Office (see v)	–	100	(100)	–	–	–
ChildLine counselling funded by DHSSPS of Northern Ireland (see vi)	–	62	(62)	–	–	–
Project funded by Commission of European Communities (see vii)	14	23	(37)	–	–	–
The Parenting Fund funded by DfE (see viii)	–	59	(59)	–	–	–
Project funded by 'V' (see ix)	–	102	(102)	–	–	–
Activities to end cruelty to children funded by other restricted donations	1,399	7,312	(7,111)	–	–	1,600
Cardiff Centre for Wales	1,779	754	(652)	–	–	1,881
Contact Point	1,095	53	(1,148)	–	–	–
Caring Dads Cymru Programme funded by Welsh Assembly Government (see x)	–	103	(100)	–	–	3
<b>Total restricted funds</b>	<b>16,719</b>	<b>32,303</b>	<b>(36,939)</b>	<b>–</b>	<b>312</b>	<b>12,395</b>
<b>Total restricted and endowment funds</b>	<b>18,100</b>	<b>32,303</b>	<b>(36,939)</b>	<b>(7)</b>	<b>312</b>	<b>13,769</b>

# Notes to the consolidated accounts (continued)

## Note 21. Endowment, restricted and designated funds (continued)

	Balance 1 April 2010 £'000	Incoming resources £'000	Outgoing resources £'000	Gains & losses £'000	Transfers £'000	Balance 31 March 2011 £'000
<b>Designated funds</b>						
<b>Charity</b>						
Freehold and leasehold properties	18,348	–	(3,541)	–	1,914	16,721
<b>Total designated funds</b>	<b>18,348</b>	<b>–</b>	<b>(3,541)</b>	<b>–</b>	<b>1,914</b>	<b>16,721</b>
<b>General funds</b>						
<b>Charity</b>						
Free reserves	46,122	106,840	(102,914)	(384)	(2,222)	47,442
Pension reserve	(10,344)	2,780	(500)	1,588	–	(6,476)
<b>Total general funds for the Charity</b>	<b>35,778</b>	<b>109,620</b>	<b>(103,414)</b>	<b>1,204</b>	<b>(2,222)</b>	<b>40,966</b>
NSPCC Trading Company Limited	30	5,070	(5,070)	–	–	30
ChildLine	–	827	(827)	–	–	–
Share of Charityshare funds	3	796	(795)	–	(4)	–
<b>Total general funds for the Group</b>	<b>35,811</b>	<b>116,313</b>	<b>(110,106)</b>	<b>1,204</b>	<b>(2,226)</b>	<b>40,996</b>
<b>Total funds for the Group</b>	<b>72,259</b>	<b>148,616</b>	<b>(150,586)</b>	<b>1,197</b>	<b>–</b>	<b>71,486</b>

The incoming resources figure for free reserves for the charity excludes the gift aid donation of £3,254,000 from NSPCC Trading Company Limited and the grant of £827,000 from ChildLine.

Details are given below in respect of restricted funds where separate disclosure is required by the funder:



	Balance 1 April 2010 £'000	Incoming resources £'000	Outgoing resources £'000	Gains & losses £'000	Transfers £'000	Balance 31 March 2011 £'000
<b>(i) Funds received from the Big Lottery Fund have been granted towards expenditure on the following project:</b>						
Family & Substance Support Team (FASST)	–	242	(242)	–	–	–
<b>Total</b>	<b>–</b>	<b>242</b>	<b>(242)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(ii) Funds received from the City Bridge Trust have been granted towards expenditure on the following project:</b>						
ChildLine	–	35	(35)	–	–	–
Young People's Centre, East London	–	25	(25)	–	–	–
<b>Total</b>	<b>–</b>	<b>60</b>	<b>(60)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(iii) Funds received from London Councils have been granted towards expenditure on the following projects:</b>						
ChildLine and CHIPS	22	230	(232)	–	–	20
<b>Total</b>	<b>22</b>	<b>230</b>	<b>(232)</b>	<b>–</b>	<b>–</b>	<b>20</b>
<b>(iv) Funds received from DfE has been granted towards expenditure on the following projects:</b>						
Helplines Development	–	6,499	(6,499)	–	–	–
Helplines Development – Capital	2,841	–	(1,044)	–	–	1,797
<b>Total</b>	<b>2,841</b>	<b>6,499</b>	<b>(7,543)</b>	<b>–</b>	<b>–</b>	<b>1,797</b>
<b>(v) Funds received from the Home Office have been granted towards expenditure on the following project:</b>						
ChildLine Trafficking Helpline	–	100	(100)	–	–	–
<b>Total</b>	<b>–</b>	<b>100</b>	<b>(100)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(vi) Funds received from the DSSHPS of Northern Ireland have been granted towards expenditure on the following project:</b>						
ChildLine counselling staff costs	–	62	(62)	–	–	–
<b>Total</b>	<b>–</b>	<b>62</b>	<b>(62)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(vii) Funds received from the Commission of European Communities have been granted towards expenditure on the following project:</b>						
Safer Internet Plus Programme	14	23	(37)	–	–	–
<b>Total</b>	<b>14</b>	<b>23</b>	<b>(37)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(viii) Funds received from the DfE have been granted towards expenditure on the following project:</b>						
The Parenting Fund	–	59	(59)	–	–	–
<b>Total</b>	<b>–</b>	<b>59</b>	<b>(59)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(ix) Funds received from 'V' have been granted towards expenditure on the following project:</b>						
ChildLine	–	102	(102)	–	–	–
<b>Total</b>	<b>–</b>	<b>102</b>	<b>(102)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(x) Funds received from the Welsh Assembly government have been granted towards expenditure on the following project:</b>						
Caring Dads Cymru Programme	–	103	(100)	–	–	3
<b>Total</b>	<b>–</b>	<b>103</b>	<b>(100)</b>	<b>–</b>	<b>–</b>	<b>3</b>

In addition to the above £105,574 was received in 2009 and £110,000 in 2010 from the Welsh Assembly all of which was spent.

# Notes to the consolidated accounts (continued)

## 22. Analysis of group net assets between funds

Fund balances at 31 March 2011 are represented by:	Unrestricted		Restricted £'000	Endowment £'000	Total funds £'000
	General £'000	Designated £'000			
Tangible fixed assets	6,305	16,721	8,312	–	31,338
Investments	51,215	–	–	1,345	52,560
Current assets and liabilities	(24)	–	4,083	29	4,088
Long term liabilities excluding pension reserve	(464)	–	–	–	(464)
Provisions	(9,560)	–	–	–	(9,560)
<b>Total funds excluding pension reserve</b>	<b>47,472</b>	<b>16,721</b>	<b>12,395</b>	<b>1,374</b>	<b>77,962</b>
Pension reserve	(6,476)	–	–	–	(6,476)
<b>Total net assets</b>	<b>40,996</b>	<b>16,721</b>	<b>12,395</b>	<b>1,374</b>	<b>71,486</b>

Of the Restricted Funds represented by tangible fixed assets, £6,925,000 relates to freehold and leasehold property, and £1,387,000 relates to other tangible fixed assets.

Included in the Restricted Funds represented by current assets and liabilities figure is £23,000 which relates to restricted donations to be spent on property.

## 23. Legacies

The NSPCC has been notified of 1,061 legacies, which have not been included within the financial statements as no notification of impending distribution has been received (2010 1,073). Of these, 22 per cent are pecuniary legacies which have an average value of £3,035 (2010 21 per cent £3,576) and the remaining 78 per cent are residuary legacies, which have an average value

of £40,175 (2010 £39,293). The Society does not have any indication of when it is due to receive these monies and there is no certainty of receipt. Included within the above figures are 11 pecuniary legacies (2010 14) and 153 residuary legacies (2010 162) which are subject to a life interest.

## 24. Related party transactions

Advantage has been taken of exemptions under FRS8 (3) not to disclose balances with or transactions between related parties eliminated on consolidation.

There were no transactions with other related parties in the year.



# Supporters

We are grateful for all the support we receive. In particular the NSPCC would like to thank the following supporters for their donations during 2010/11, including those who have chosen to remain anonymous.

BT	Kylie Minogue OBE	Jaguar
The Cadogan Charity	RBS Group	John Lewis Plc
The Children's Charity for the good of all children	Shell	Martin Currie Investment Management Ltd
The Ellerdale Trust	Slimming World	Microsoft UK
Mr Doug Ellis OBE	Mrs Phyllis Somers	Mr and Mrs Aditya Mittal
Damien Hirst	Superdrug Stores Plc	Mr Tom Morris
Department for Education	Sir Stanley Thomas OBE	Tim Noble and Sue Webster
The Doughty Family Foundation	Timpson Ltd	Orange Plc
Mr John Hargreaves	Towergate Partnership	The Parenting Fund
	UBS	Chris Parker
	The Underwood Trust	Peter Moores Foundation
Diane Briere de L'Isle Engelhardt	v, the national young volunteers service	Redfern Charitable Trust
Children, Young People and Social Care Directorate, Scottish Government	Will Aid	RugbyTots Limited
Clothes Aid (Services) Ltd	Yellow Moon	Michael Sheen OBE
first direct		Skipton Building Society
SPAR (U.K.) Limited	APSCo	Staples UK Limited
Welsh Assembly Government	The Arpad Busson Foundation	telent
	Abigail and Joseph Barratta	The Recycling Factory
B & Q Plc	Caudwell Children	The Sweet Partnership
Barclays Bank Plc	Jake and Dinos Chapman	Thorntons Plc
BHS Limited	The City Bridge Trust	Julie-Anne Uggle
The Big Lottery Fund	City Plumbing Supplies	Natalia Vodianova
BrightHouse	Clifford Chance	The Volant Charitable Trust
Mr John Cleese	Clore Duffield Foundation	Mr and Mrs Yates
Comic Relief	Mat Collishaw	
Debenhams Plc	Tony Cragg	29th May 1961 Charitable Trust
Department of Education	Department of Health, Social Services and Public Safety	A D Power Will Trust
The Garfield Weston Foundation	DMI Productions	Accenture Company & Foundation
Lord and Lady Harris	The Dorset Foundation	Accord
Hewlett-Packard	Tracey Emin	Adam & Company Plc
HSBC Direct Bank	Mrs Jenny Farr MBE DL	Ade Adepitan MBE
J C Bamford Excavators Ltd	Jim and Alys Garman	Adidas
The Katherine Martin Charitable Trust	The Henry Smith Charity	Ahmadiyya Muslim Youth Association
Links of London	Hesco Bastion Fund c/o Leeds Community Foundation	Amdocs
Lloyds Banking Group Plc	Home Office (CTAIL)	Anglo American Plc
London Councils	HSBC in the Community	Apollo Group
Matalan Retail Ltd	The Ingram Trust	Arco Ltd
Minerva Plc		Army Central Fund

# Supporters (continued)

Asidua Ltd	Drake Circus Shopping Centre	Malik Karim
The ATASS Foundation	Mr Philip Eaton	Pii Ketvel
Autographs of the World	Edinburgh House	Tarek and Diala Khat
Axentis Michael Memorial	Edith Murphy Foundation	lastminute.com
Lady Bamford OBE	Mr Noel Edmonds DL	Mrs Kathleen Laurence Charitable Trust
Lorenz Bäumer	Reverend John Elliott	Mr Brian Lay
BBC Children in Need Appeal	Mr Luca Esposito	The Leeke Family
Pam and Paul Bell	The Eveson Charitable Trust	Les Bordes
Baroness Benjamin OBE	Fabergé	Andrew Lincoln
Harry and Bodil Blain	Fares and Tania Fares	Lloyds TSB Foundation for the Channel Islands
BNP Paribas	Mrs Celia Forner-Venturi and Mr Francesco Venturi	Zoe Lucker
Mr and Mrs Christopher and Micaela Boas	Foyle Food Group	The Magheramorne Foundation
Mr Stephen Bonner	The Frank McGarahan Tribute Fund	Mr and Mrs Marston
Mr Paul Bostock	Lesley Garrett CBE	Mr Nick and Mrs Annette Mason
Boucheron	Gemfields	The May and Stanley Smith Charitable Trust
Julia Bradbury	Glasgow City Council Education Services	Mr Anthony McGreevy
Brake Bros Ltd	Glasgow City Council	Mr and Mrs Charles Meek
Brake Family (Frank and William)	Mrs Kara Gnodde	Fred and Anneke Mendelshon
Mr David Brownlow	Ray Green	Millie's Cookies
Buckingham Covers	Lulu Guinness	Roland Mouret
Ms Sarah Byrt	Mr and Mrs Charles Hack	Mourne Cottage Trust
Sir Michael Caine CBE	Hamelin Paperbrands Ltd	The Mulberry Trust
Mr Duncan Cameron	Christine Hamilton	Mr and Mrs Dominic Murphy
Capital Corporate Finance	Mrs Emma Harrison CBE	Mr Alan Murphy
Urban Caprice	Haven Leisure Ltd	Mrs Alice Murray
Cardy Beaver Foundation	Henderson Group Ltd	Clare Nasir
Cash for Kids	Marissa and Matt Hermer	The Nebulus Trust
Cheque Centre UK	HF Developments Ltd	Network Rail
Mr David Clinton	Hilton in the Community Foundation	Newcastle Airport
Clothing Collections International Ltd	Holiday Extras	Next Plc
Mr John Coldman	Nick Hoult	Nickelodeon UK Limited
Ms Martina Cole	Marvin Humes	Mr and Mrs Dave Novak
Mr John Connolly/Deloitte	John Hurt CBE	Odeon & UCI Cinemas Ltd
Mark and Laura Corbridge	Ignite Group Ltd	Ofenheim Charitable Trust
Coventry telegraph	IITT	Oracle
Dr Peter Cullum CBE	IT Efficient	P F Charitable Trust
The Danego Charitable Trust	Mr Samuel Joab	Alice Palmer
Ortis Deley	The Jodie Kidd Foundation	Howard Palser
Charlotte Dellal	Johnson Foundation	Mr and Mrs John Paynter
Detica	Ms Karen Jones CBE and Mr Hamish Easton	Yana and Stephen Peel
Blain Di Donna	Mr Michael Josephson	Philip Smith's Charitable Trust
Mr and Mrs George Downing/Downing Developments		Phoenix It Group Plc

PhotoBox Limited  
 David and Justine Pickering  
 Pickfords  
 The Pipeline Industries Guild  
 R S Components Ltd  
 Rank Foundation  
 Mr R J Rees  
 Mr Tony Reeves  
 Mr Ben Rick and Ms Naomi Bourne  
 Mr David Roberts  
 Robyn Charitable Trust  
 Barrie and Emmanuel Roman  
 Levi Roots  
 Mr Andrew and Mrs Nicola Rosenfeld  
 Rowlands Pharmacy  
 Mr and Mrs Roland D Rudd  
 Mr and Mrs Khaled Said  
 Saturday Group  
 Dr Scholl Foundation  
 Scottish Friendly  
 Selco  
 Shop Direct Group  
 Signature Flight Support  
 Melanie Slade  
 South West Charitable Giving Programme  
 Southern Water  
 The Spielman Charitable Trust  
 Stavros Niarchos Foundation  
 Stichting Benevolentia  
 Stover Golf Club  
 Mr Francis Sultana and Mr David Gill  
 Swansea Sound and The Wave  
 Nadja Swarovski  
 David Tait MBE  
 Mr and Mrs Rana Talwar  
 Terry Tew Sound and Light Ltd  
 Thames Wharf Charity Ltd  
 The English Pig  
 The Number UK  
 Mr Peter Thomas and  
 Mrs Babs Thomas OBE  
 Roy Thomas and RT Properties  
 Mr Colin Thomson  
 Mr Tom Toumazis  
 Toyota Manufacturing (UK) Charitable Trust  
 Mrs Padideh Trojanow  
 The Esfandi Charitable Trust  
 Tughan Trust  
 Keith Tyson

Ulster Garden Villages  
 Ms Francesca Valli  
 Vanquis Bank Ltd  
 VW Pullman  
 Mr Ian Wace and Ms Saffron Aldridge  
 Sir Rodney Walker  
 Walker Group (Scotland) Ltd  
 The Walter Guinness Charitable Trust  
 Warner Bros. Entertainment UK  
 The Westminster Foundation  
 Mrs Juliet Westoll MBE  
 The White Company  
 Iwan and Manuela Wirth  
 Mrs Susan Wood  
 Woodmansterne Publications  
 Ms Georgina Yates and Dr Rachael Scott  
 Mrs Jordana Reuben Yechiel  
 Daniel Zakharov and Mira Anafina  
 The Zochonis Charitable Trust  
 Zurich Community Trust UK Limited  
 Mrs Beryl P Zylstra

We are grateful to the following  
 supporters for the outstanding gifts  
 they left in their wills in 2010/11,  
 including those who have chosen  
 to remain anonymous.

Mrs Rita Bodycombe  
 Mrs June Evelyn Bruty  
 Mr Derrick John Carter  
 Mrs Joy Hazel Chambers  
 Mrs Doris Daniels  
 Miss Daisy Winifred Davies  
 Mr Michael Gibbins  
 Mrs Marie Gost  
 Mrs Dorothy Eileen Greenwood  
 Mrs Gwendoline Hilda Ifold  
 Mr Robert Duncan Hind  
 Mrs Olwen Jones  
 Mr Derek John Lawrence  
 Mrs Olive Mary Lucas  
 Mrs Irene May Miller  
 Mr John Revell  
 Miss Audrey Mary Sanford  
 Mr Arthur Ambrose Spivey  
 Mrs Jean Robertson Verger  
 Mrs Phyllis Mary White-Phillips

#### Vice-presidents

Dr Maya Angelou  
 The Most Hon The Marchioness of  
 Anglesey DBE LVO

The Hon Mrs Mary Birkbeck  
 Mr C H H Butcher BA (Oxon)  
 The Lady Moyra Campbell CVO  
 Mrs Susan Dale  
 Mrs J M Farr MBE DL  
 Mrs J Harding  
 The Hon Mrs Hugh Lawson Johnson  
 The Right Reverend The Lord Bishop  
 of London  
 Mr J D W Low OBE  
 The Rt Hon The Countess Mountbatten  
 of Burma CBE CD JP DL  
 Mr John L Norton  
 Professor T E Oppe CBE FRCP DCH  
 Mr Giles Pegram CBE  
 Mr J Pickett OBE  
 Mr Gerald Ronson  
 Mrs Pamela Rose  
 Mr Andrew Rosenfeld  
 Sir Roger Sims JP  
 The Rt Hon Baroness Thatcher LG OM  
 PC FRS  
 Sir Mark Weinberg  
 His Grace The Duke of Westminster KG  
 OBE TD DL

#### Divisional Vice-presidents

Mrs Elaine Adams  
 Mrs Eileen Ainscough  
 Mrs Ann Baldock  
 Mr James Bailey  
 The Hon Mrs Mary Birkbeck  
 Mrs Judith Bland  
 Mrs Anne Briggs  
 Mrs Norma Chapman  
 The Lady Moyra Campbell CVO  
 Mr David Clark  
 Ms Bridget Cluley  
 Mrs Sally Grundy  
 Mr Charles Hadfield  
 Mrs June Hawkins  
 Mrs Sue Hooper  
 Mrs Carol Keohane  
 Mrs Joyce Kiddy  
 Mrs Pat Laurie  
 Mr Peter Laycock  
 Mrs Margaret Mitchell  
 Mrs Anne Morris  
 Mr John Norton  
 Mrs Ruthie Phillips  
 Mrs Mary Robins

# Supporters continued

Mrs Marion Stevens  
Mrs Judy Stone  
Mrs Janet Thethi  
Mrs Belinda Toop  
Mrs Lavinia Wallop MBE  
Mrs Sally Wigram MBE  
The Hon Mrs Michael Willoughby  
Dr Olwen Williams OBE  
Mrs Jane Woodford

## National Development Board

Mr Neil Berkett (Chair)  
Mr Philippe Bonnefoy  
Mrs Cynthia Carroll  
Mr Mark Corbridge  
Mrs Fiona Curteis  
Mrs Anita Green  
Mr Tarek Khat  
Princess Dora Loewenstein  
Esther Rantzen CBE  
Sir David Richards  
Mr Roger Siddle  
Mr Tom Toumazis  
Mrs Lavinia Wallop MBE  
Mr Mark Wood

The charity thanks and recognises the contribution of Ms Karen Jones CBE who stood down as member of the National Development Board in December 2010

The charity thanks and recognises the contribution of Mr Roland Rudd who stood down as member of the National Development Board in January 2011

The charity thanks and recognises the contribution of Mr Philip Yates who stood down as member of the National Development Board in July 2011

## National Volunteer Boards

ChildLine Board  
Corporate Development Board  
Helpline Board  
Rebuilding Childhoods Board  
Sports Board  
Stop Organised Abuse Board

## Special Events Committees

The APSCo Committee  
The Carols by Candlelight Working Party  
The ChildLine Ball Committee  
The ChildLine Polo Committee  
The ChildLine Rocks Committee  
The City Conker Cup Committee  
The City Dinner Committee  
The City Fine Wine Challenge Committee  
The Great British Picnic Committee  
The Leadenhall Ball Committee  
The PAmper Committee  
The Standard Bank Dragon Boat Committee  
The Surrealist Ball Committee  
The White Hat Events Committee  
The White Hat Rally Committee

**The NSPCC would like to thank all of our dedicated fundraising groups across the UK. We value every penny raised by our fundraising groups, big and small. We would also like to recognise the following groups who have raised over £10,000 for the NSPCC during the year.**

## Branches

Anglesey  
Ashford and Districts  
Barnet  
Bath  
Belfast  
Berkshire  
Birmingham  
Blackpool  
Boston  
Bournemouth and Poole  
Bristol  
Bromley  
Burnley  
Calderdale  
Cardiff  
Carmarthen  
Chelmsford  
Chelsea  
Chester

Chichester and South West Sussex  
Cotswolds  
County Antrim  
County Armagh  
County Down  
County Fermanagh  
County Londonderry  
County Tyrone  
Craven  
Derby  
Doncaster  
East Cheshire  
East Cornwall  
East Essex  
East Hampshire  
East Kent and Canterbury  
East Norfolk  
East Nottinghamshire  
East Suffolk  
East Sussex  
Eastbourne, Lewes and Districts  
Enfield  
Exeter and East Devon  
Flintshire and Denbighshire  
Gosport and Fareham  
Greater Gwent  
Grimsby  
Guildford  
Hampshire North  
Harrogate  
Harrow and Brent  
Hartlepool  
Hastings  
Herefordshire  
Huddersfield  
Hull and East Riding  
Hyndburn and Rossendale  
Islington  
Jersey  
Kensington  
Kesteven  
Kettering



Lancaster  
 Leeds and Wakefield  
 Leicester District  
 Liverpool  
 Manchester  
 Mid and West Herts  
 Mid Cheshire  
 Mid Kent  
 Newcastle  
 North and East Herts  
 North Bucks  
 North Cheshire  
 North Cumbria  
 North East Wales  
 North East Yorkshire  
 North Northumberland  
 North Nottinghamshire  
 North Staffordshire  
 North Suffolk  
 North Sussex  
 North Yorkshire  
 Northampton  
 Nottingham and District  
 Oxfordshire  
 Plymouth  
 Portsmouth  
 Preston  
 Richmond  
 Rochdale  
 Rotherham and Barnsley  
 Salisbury and South Wiltshire  
 Shropshire  
 South and Mid Bucks  
 South and Mid Sussex  
 South Bedfordshire  
 South Cambridgeshire  
 South Cheshire  
 South Cumbria  
 South Devon  
 South East Surrey  
 South Somerset  
 South Staffordshire  
 South Warwickshire  
 South West and North Dorset  
 South West Essex  
 Southend  
 Southport  
 St. Helens  
 Stockport

Swansea  
 Swindon and North Wiltshire  
 Thanet and Dover  
 Walsall  
 Warrington  
 Welsh Borders  
 West Cornwall  
 West Cumbria  
 West Gloucestershire  
 West Kent  
 West Norfolk  
 West Somerset  
 West Suffolk  
 Westminster  
 Westmorland  
 Wigan  
 Wolverhampton  
 Worcestershire  
 York

#### Business Boards

Birmingham Business Board  
 Bristol Business Board  
 Coventry Business Board  
 Edinburgh Volunteer Committee  
 Exeter Business Board  
 Liverpool Business Board  
 London Business Board  
 Manchester Business Board  
 North Wales Business Board  
 Peterborough Business Board  
 Sheffield Business Board  
 Swindon Business Cares for Children

#### Appeals Boards

Building Brighter Futures Appeal Board  
 East Midlands Child's Voice Appeal Board  
 North Child's Voice Appeal Board  
 Northern Ireland Child's Voice Appeal Board  
 South West Child's Voice Appeal Board

#### NSPCC ambassadors

Ade Adepitan MBE  
 Peter Andre  
 Lesley Garrett CBE  
 Amir Khan  
 Kylie Minogue OBE  
 Alan Shearer OBE  
 Jonny Wilkinson OBE  
 Catherine Zeta-Jones CBE  
 Nicholas Hoult

#### Hall of Fame 2004

Saffron Aldridge  
 Atomic Kitten  
 David Beckham OBE and Victoria Beckham  
 Jono Coleman  
 Lesley Garrett CBE  
 Jerry Hall  
 Martin Johnson CBE  
 Gabby Logan  
 Hermione Norris  
 David Seaman MBE  
 Alan Shearer OBE  
 Gillian Telford  
 Emily Watson

#### Hall of Fame 2005

Peter Andre  
 The Right Honourable The Baroness  
 Benjamin of Beckenham in Kent OBE DL  
 Jasper Carrott OBE  
 Matt Dawson MBE  
 Laurence and Jackie Llewelyn-Bowen  
 Davina McCall  
 Alec Stewart OBE

#### Hall of Fame 2007

Dame Judi Dench CH, DBE, FRSA  
 Noel Edmonds DL  
 Tracey Emin RA  
 Carl and Michaela Fogarty  
 Torey Hayden  
 Nicholas Hoult

#### Hall of Fame 2009\*

Vicky Alcock  
 Fiona Bruce  
 Graham Cole  
 Beth Cordingly  
 Ryan Jones  
 Lord Lloyd-Webber

\*Hall of Fame became a biennial event after 2005

#### ChildLine ambassadors

Fiona Bruce  
 Caprice  
 Graham Cole  
 Ronnie Corbett OBE  
 Beth Cordingly  
 Nicholas Parsons OBE  
 Wendi Peters  
 Anthea Turner  
 Ian Wright MBE

# NSPCC offices

## Headquarters and registered office addresses

Weston House  
42 Curtain Road  
London EC2A 3NH

## Regions

### Cymru/Wales

Diane Engelhardt House  
Treglown Court  
Dowlais Road  
Cardiff CF24 5LQ  
Tel: 0844 892 0290

### Northern Ireland

Block 1, Jennymount Business Park  
North Derby Street  
Belfast, BT15 3HN  
Tel: 02890 351135

### Scotland

2nd Floor, Tara House  
46 Bath Street  
Glasgow G2 1HG  
Tel: 0844 892 0210

### North East and Cumbria

Scottish Life House  
4th Floor, Block A  
Archbold Terrace  
Newcastle upon Tyne NE2 1DB  
Tel: 0191 2390820

### North West

Quays Reach  
14 Carolina Way  
South Langworthy Road  
Salford M50 2ZY  
Tel: 0161 743 4640

### Yorkshire and the Humber

2nd Floor Arndale House  
Crossgates  
Leeds LS15 8EU  
Tel: 0113 229 2200  
*Until 7 March 2011*

### Suite 1-3, 5th Floor

St John's Offices  
Albion Street  
Leeds LS2 8BT  
Tel: 0113 218 2700  
*From 7 March 2011*

### East Midlands

3 Gilmour Close  
Beaumont Leys  
Leicester LE4 1EZ  
Tel: 0116 234 7200

### West Midlands

3rd Floor Ciba Building  
146 Hagley Road  
Birmingham B16 9NP  
Tel: 0844 892 0217

### North London and East of England

1st Floor Ash House  
Brecklands  
Woodlands Business Park  
Linford Wood West  
Milton Keynes MK14 6ET  
Tel: 01908 328050

### South London and the South East

5G Mill Court  
Spindle Way  
Crawley West Sussex RH10 1TT  
Tel: 01293 651 841

### South West

Fitzwarren House  
Queen Street  
East Reach  
Taunton  
Somerset TA1 3UG  
Tel: 01823 346346

The National Society for the Prevention of Cruelty to Children (NSPCC) is registered with the Charity Commission under registration number 216401, and with the Office of the Scottish Charity Regulator under number SC037717; it is also registered as a Guernsey Registered Charity (registered number CH214 and as a Non-Profit Organisation in Jersey (NPO 0588).

Photography by David Gillanders/Reportage by Getty Images, posed by models. Names and identifying details in the case studies have been changed to protect the identities of service users.







