# NSPCC

## Annual report 2011/12

NSPCC

Cruelty to children must stop. FULL STOP.



# Welcome from Mark Wood

**I start the NSPCC's annual report in this Diamond Jubilee year with an expression of our gratitude to our patron Her Majesty Queen Elizabeth II for her continued support of our work. In 1944, the NSPCC's own Diamond Jubilee year, Princess Elizabeth became President of the NSPCC, at which time she said, "I do not think there is any organisation which performs a more vital service to our country's welfare."**

Huge progress has been made in the subsequent decades, but sadly we still have work to do to achieve our vision of eradicating cruelty to children. We are at an important time in the history of our charity. During the year under review we have seen the implementation of the new services which form the heart of our approach to stop the cruelty, neglect and abuse which too many of our children suffer. All of the team at the NSPCC who work directly with children, as well as their colleagues who support them, have diligently endeavoured to convert our strategy into an operational reality. They are to be congratulated on what has been achieved.

While completing the enormous task of bringing these pioneering services to life, we have managed at the same time to work with more children across the NSPCC than ever before. Furthermore, the organisational changes we have made to ChildLine and our other helpline services mean that we now effectively answer every call we receive.

This year ChildLine celebrates 25 years of helping children. Esther Rantzen's vision a quarter of a century ago has now directly counselled 2.6 million children. HRH The Countess of Wessex has worked tirelessly in support of the service in her role as ChildLine's patron and we are delighted that, with Her Majesty's permission, Her Royal Highness has consented to become President of the NSPCC.

This past year has seen important achievements, but none would have been possible without the thousands of volunteers and donors who selflessly give of their time, their money and their expertise to help those who need our support. On behalf of the children we have worked with over the past year and those who we will work with in the year to come may I convey to you their gratitude.

**Mark Wood,**
**Chairman of the Trustees**

## We are at an important time in the history of our charity

# This year ChildLine celebrates 25 years of helping children




# Welcome from Andrew Flanagan

**Thanks to the generosity of our supporters and the hard work of NSPCC staff and volunteers this has been another remarkable year in our journey to better protect children and young people from cruelty.**

As ever we remain incredibly grateful to all of our supporters who, in the current financial climate, still find the money to donate towards our work. The NSPCC is in the unusual and privileged position of having our activities predominately funded by the general public with 90 per cent of our funding coming from donations. This means we have a responsibility and a public mandate to protect children, and the scope to influence the entire child protection sector by sharing the evidence of our work.

Over the last year, we have strived to make these resources go further than ever by focusing even more on our front-line work with children and families. I have been excited to see the launch of our new services around the UK. These focus on areas of need identified by our research and prioritise prevention rather than cure. This means concentrating on what we know works, protecting particularly vulnerable groups such as babies, who are eight times more likely to be killed than any other age group.

Our strategy aims to change the shape of services for victims of child abuse. By using evidence gleaned from our new programmes and sharing our knowledge with government and other agencies we can try to ensure their services are, in turn, as effective as possible. By running local services across 40 of the most deprived areas in the United Kingdom, and pooling knowledge nationally, we can leverage our experience and multiply our influence many times over.

Child protection is everybody's responsibility and we must work together as a society to end cruelty to children. Our reach over the last year has grown as we provide more consultancy services and continue to partner not only with local authorities and police but also a wide range of other organisations working with children. One example this year has been our work with the London Organising Committee of the Olympic and Paralympic Games (LOCOG) to set up an innovative training course to provide more than 5,000 volunteers and staff with essential safeguarding skills for the 2012 Olympic Games.

It is your support that enables us to continue our unique work to bring about these changes. Many thanks for all your efforts to help us to make a difference.

**Andrew Flanagan,**
**Chief Executive**

# 128 years helping children in danger and distress



# Our approach

**Since we formed in 1884 the NSPCC has been integral to the development of child protection policy and practice in the UK. Our services have directly protected millions of children from abuse and neglect while our lobbying and public education campaigns have shielded countless more from cruelty.**

Over the years our organisation has grown and developed to implement local services helping those most at need, to introduce national child and adult helplines, giving a voice to those who need protection and to provide consultancy work to share our unique knowledge. Working with a dedicated staff and more than 10,000 inspirational volunteers we provide both a local presence and universal services reaching out to every child in need of support across the UK.

Tragically, serious abuse and neglect is still commonplace. Our landmark study into child cruelty in 2010 found that almost one million secondary school children are seriously abused or neglected during childhood.

That's why we have focused our resources on areas where we believe we can make the greatest difference to children and young people. This has seen us introduce innovative services working to tackle neglect, physical and sexual abuse as well as protecting particularly vulnerable groups such as children with disabilities, children in care, children from minority ethnic groups and babies. The next three years will see us continue to develop and deliver effective services in these areas.

We aim to reach more children than ever before through these pioneering direct services and by sharing evidence of our successes to encourage and persuade others. We believe that this approach can help us to find new solutions and improve the way that society as a whole combats these intractable problems.

**10,000+**
inspirational volunteers

# Our local services for children and families

**Over the past year we have established 24 new services in 40 locations across the UK. We are supporting vulnerable children and families in their communities and evaluating the work we do to find what works best to prevent child abuse and protect children from harm.**

These innovative services focus on areas of need identified by public data and our research: sexual abuse; neglect; physical abuse in high risk families; children in care; babies; disabled children and children from minority ethnic backgrounds.

Our pioneering programmes use a range of approaches to help prevent, identify and reduce the impact of abuse in childhood. Several provide parenting and family support to prevent abuse, or reduce the risk of abuse happening again. Our FEDUP (Family Environment: Drug Using Parents) programme, for example, will work with 400 children and parents with drug and alcohol problems in 13 areas in the UK over a two-and-a-half year period. It was developed from a programme originally created by the NSPCC in Grimsby and aims to improve the safety of children and to help parents understand how their addictions can damage their children.

Other services provide therapy to help children overcome abuse, or prevent future abuse by changing behaviour. Our Connecting with Children in Care service aims to make more looked after children aware of the different ways in which ChildLine can help them and provide more support and a stronger safety net for them. It also introduces a face-to-face service and can help young people overcome difficulties as a result of previous abuse or neglect.

We are also providing assessment tools to help professionals make decisions about how best to protect children. Our Assessing the Risk, Protecting the Child service is using a good practice guide – a new tool for social workers to help them assess the sexual risk that suspected sex offenders pose to children. With the resource available in our service centres, stretching from Belfast to Plymouth, we expect this will have an impact right across the UK.

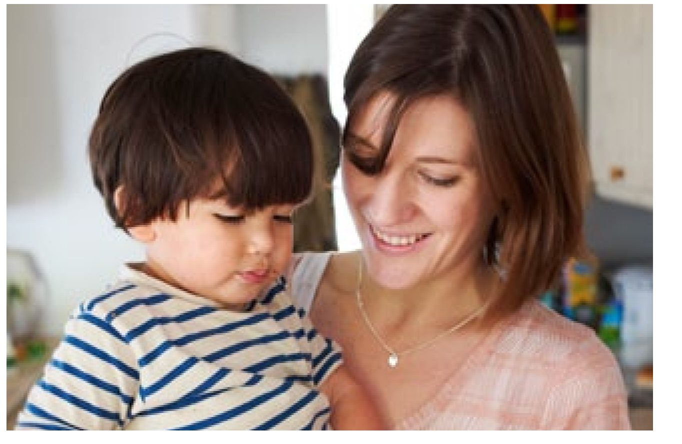
We are also building new partnerships with health authorities to extend our reach and strengthen our capacity to protect children through multi-disciplinary work with midwives, health visitors, child psychologists and other professionals.

As an example we are working with partner hospitals to educate parents about the risks of inflicting head injuries on their babies – the first educational programme of its kind in the UK. A similar scheme in the USA led to a 47 per cent drop in non-accidental head injuries to babies, which is currently the most common cause of non-accidental death or long-term disability in infants in the UK. The NSPCC team in Glasgow has been working hard to train midwives and are now seeing fantastic results – about 70 per cent of parents in the Lanarkshire hospital they are partnering with are now seeing the educational film before they leave hospital with their baby.

As we collect and share the knowledge learnt from all of our services we will demonstrate with robust evidence what works best. This approach we believe will fundamentally change the lives of many children in the coming years.


**40**

Locations across UK and channel islands



Our pioneering programmes use a range of approaches to help prevent, identify and reduce the impact of abuse in childhood

**Lisa's story**[1]

Lisa referred herself to the NSPCC's Parents Under Pressure programme after three of her children, including a six-month-old baby, were identified as 'children in need'.

Lisa had been using drugs since the age of 13. She was on methadone prescription at the time of referral and her baby was born with withdrawal symptoms. Two older children were living with a previous partner. Her new partner Tom, the baby's father, was attending an alcohol treatment programme and had been abstinent for three months.

Lisa felt isolated and depressed during her pregnancy. She rarely left the house and felt unable to emotionally connect with her children. The family home was in need of repair.

NSPCC worker Cath identified clear goals for Lisa and Tom to work on during intensive home visits over 20 weeks. These included practical steps such as improving the home environment for her children as well as sessions focused on Lisa's relationship with her baby.

By the end of the programme, Lisa's confidence as a mother had grown. She was more aware of her baby's developmental needs and her role in meeting them. She was able to set boundaries with the older children, who were better behaved at home and at school.

Lisa said she felt "100 per cent optimistic about the future." Tom said, "The children feel safer because mum is here for all of them now. We are beginning to be a functional family."

Lisa's children are no longer seen as 'in need'. The family is now receiving further support, working with adult drug treatment agencies and universal services to maintain positive change for the family.

[1] Names and other identifying features have been changed to protect the identity of the individuals.

# Our universal services for children and families

**Our universal services reach out to provide immediate support to children and families no matter where it is needed across the UK.**

### Supporting children

Over the course of the year ChildLine's switchboard has faced huge demand from children and young people. The service answered more than 1.2 million calls over the year from those struggling with abuse, neglect and other problems, leading to more than 325,000 counselling sessions. Despite this high level of need, ChildLine's 50 full time counsellors and almost 1,400 trained volunteers were able to respond to all of the calls ChildLine received.

The ChildLine website continued to evolve in response to the dramatic growth of online demand, offering young people information, advice and a community of support. Young people wanted to talk one-to-one with a ChildLine counsellor online on more than 217,000 occasions over the year, an increase of 62 per cent from 2010/11.

Most children who contact ChildLine are over 11 years old but they often refer to abuse experienced at a much younger age. The ChildLine Schools Service has been visiting younger children in primary schools to talk to them in person about how to protect themselves from abuse. At the end of the year we had 165 trained ChildLine Schools Service volunteers and over the year our volunteers managed to talk to more than 50,000 7-11 year olds in over 700 primary schools. This was almost double our aspiration for the year and demonstrates the success of area co-ordinators working alongside motivated volunteers to deliver this service.

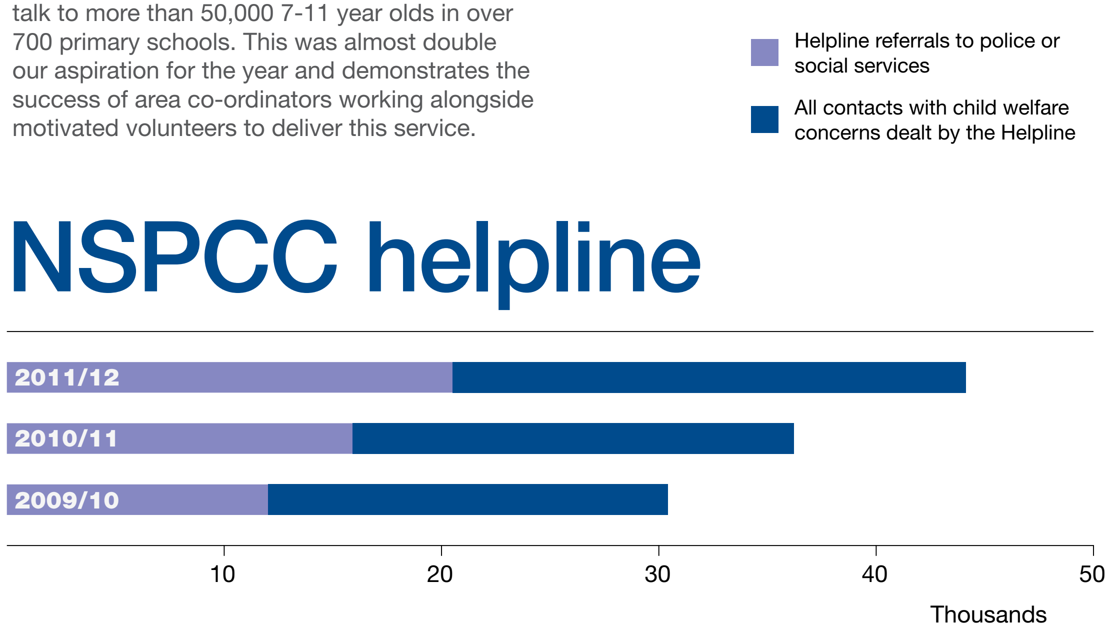
### Helping adults support children

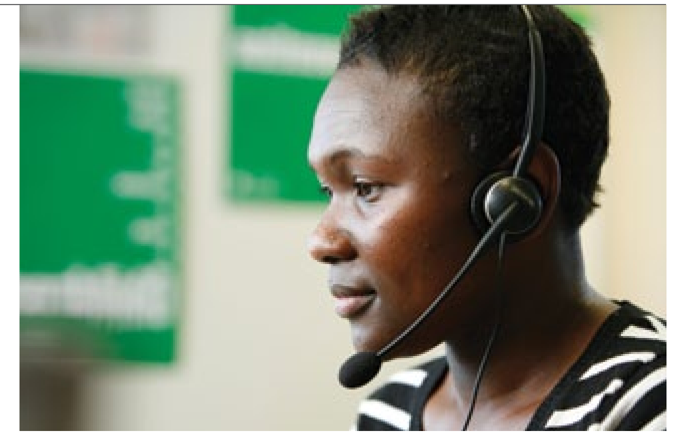
The NSPCC's helpline service, set up to address any concerns about the safety or welfare of children, continued to expand with demand increasing by 23 per cent from last year. In addition to providing this instant advice and support to the public we also offer an information service and reference library for anyone with an interest in child protection.

Concerned members of the public contacted our advisors over 40,000 times this year. We took up nearly half of these calls with local police and social services for further investigation, a 28 per cent increase on last year.

In order to raise awareness of child abuse we worked to inform, educate and challenge the public about their role in child protection. We ran a number of specific awareness raising initiatives to promote the work of the helpline and access to it. This included a digital advertising campaign featuring a viral online video viewed more than 300,000 times, the promotion of the helpline through local authorities and the launch and promotion of our new mobile phone text service.

## NSPCC helpline



## ChildLine answered more than 1.2 million calls over the year from those struggling with abuse, neglect and other problems

### Callie's story[2]

I was 15 and over a period of six months I was taken advantage of by a close friend of mine. I kept it all to myself and took my anger out on everyone around me. I was losing my friends and family, I started to skip school and my self-esteem and confidence was at rock bottom.

One day it all got too much and I tried to commit suicide. I took a massive overdose and started to feel ill very quickly. But then I found the courage to call ChildLine and on the end of the phone a lady talked to me, she listened and she cared about me. I started to talk to her and eventually told her what I'd done. It took time but she managed to persuade me to get the medical attention that I needed. I wouldn't be here right now if it wasn't for ChildLine.

But it didn't stop there. After I came out of hospital I still needed that support. Over a period of months, ChildLine became like a second family to me. It was the place I could go when everything else was falling apart. I'd lost a lot of trust over the year but ChildLine helped me regain it and helped me start to build up my life again. I am so grateful to them and I wouldn't be where I am today without ChildLine. They saved my life and gave me a spark of hope that still stands to this day.

[2] Names and other identifying features have been changed to protect the identity of the individuals.

# Our work with others

**To make a better world for children we need to change society's attitudes. In order to achieve this we are working with more individuals, communities and organisations in contact with children to give them the knowledge and skills to act effectively.**

All of our work is informed by young people and they play an integral role in our strategy. Over the last year we have established regional groups working specifically to ensure that young people influence our national policy. We have also recruited young ambassadors for each of our priority areas of focus, giving them training, support and opportunities to speak about our work.


**Training and working together**
Over the year we have delivered training or consultancy, including the provision of publications, to 7,816 distinct organisations, 5,294 of which were new relationships for our Child Protection Consultancy team. One example was our work this year with cruise company Cunard Line to help to strengthen the company's safeguards and duty of care to children following a serious incident involving a former member of staff. We were also awarded a contract to review the current safeguarding practice of the Church of England's largest diocese – the Diocese of London.

Our Safe Network service, which provides advice and information to voluntary and community groups, significantly extended its reach over the year. Its website received more than 200,000 individual visits over the year, 70,000 more than last year, while more than 30,000 publications were downloaded from the site.

Our Child Protection in Sport Unit celebrated its 10th anniversary this year with the renewal of major contracts with Sport England, Sport Wales and Sport Northern Ireland and a hugely successful conference discussing the direction of safeguarding in sport policy. The unit, founded to work in partnership with sport organisations to safeguard children, was also contracted to deliver safeguarding support through an additional 27 governing bodies and now works with over 200 sporting bodies in the UK.

ChildLine has formed a partnership with the Samaritans to ensure their branches and volunteers understand the ChildLine service and can appropriately direct young people to it. The service has also been working closely with the National Offender Management Service this year to ensure vulnerable young people in prison have access to ChildLine.

## Our child protection experts delivered training and consultancy to 7,816 distinct organisations

**Kyle Colton, aged 21, from the East Midlands, is our ambassador for the sexual abuse theme.**

The area of sexual abuse is something I have always felt extremely strongly about. I wanted to use my passion on the issue to positively influence the services regarding sexual abuse and to help with research and lobbying the government. I think having young people's influence will have a really good impact on the organisation.

I was 15 when I started working with an NSPCC regional group in Derby, looking at issues around sexual abuse and producing a book "Anon" to help young people who had experienced it. I then joined an NSPCC young person's advisory group and, having finished school and gone to university, became a young ambassador. I wanted to carry on working and volunteering within the NSPCC. This was an opportunity to do so in the direction I feel most passionately about.

Within my role as an ambassador I have given my opinions in certain areas about policies and I've been to many conferences and events explaining the importance of youth participation to encourage young people's views to be heard. I would like all young people who have experienced sexual abuse in the UK to have opportunities to help and positively influence services, and for everyone to have equal access to therapeutic services.

I am very grateful to have had the opportunity to be an ambassador. It is a rare chance and it means that I can use my enthusiasm and experience in this area to help shape the services in child protection. I've learnt that a lot of people do want to use young people's influence in the NSPCC and they do take on board what we say.

# The All babies count campaign

**Celebrity tweets**
Supporting #ALLBABIESCOUNT

Lauren Laverne

Liverpool FC

"Please join me today in supporting the @NSPCC #ALLBABIESCOUNT campaign & for every RT @sudocrem will be donating 25p for each tweet"
Annabel Karmel

Gabby Logan

Joan Collins

**44,332 pledges**
calling on UK governments to do more to protect babies

Our new and innovative services to keep babies **safe from harm** are being delivered in **21 areas in the UK by 113 practitioners**

The #ALLBABIESCOUNT **hashtag** was used **5,802** times
— reaching over an estimated —
**829,686 followers**

— Over —
**10,000 people supported the campaign on Facebook**

All babies count was **reported 449 times** in the media including BBC news, The Guardian and Channel 4 News

At launch, All babies count recieved the most amount of media coverage the NSPCC has generated in the past three years

Sudocrem donated **£25,000** to the NSPCC thanks to our campaign supporters on Twitter and Facebook

Our report for professionals about **keeping babies safe** has been downloaded over **3,400 times**

All babies count was **mentioned 6,912 times in online conversations**



# Our lobbying and campaigning

**In order to effect the changes necessary to end cruelty to children in the UK we need to campaign to change societal attitudes and behaviour and we need to ensure that our voice is heard at government level. With 90 per cent of our funding coming from public donations, this gives us the freedom and flexibility to speak out fearlessly on behalf of children.**

Our All babies count (ABC) campaign launched last year as part of our focus on working with babies. We received almost 45,000 pledges of support for ABC from the public and its launch garnered the highest level of monthly media coverage for the NSPCC for many years, raising vital awareness of the issues involved. This area of work has resonated strongly with supporters by giving a voice to the most vulnerable in society. It is a call to increase the support they receive and to ensure that it is delivered in the best possible way.

Another significant success this year was our work to amend the Domestic Violence, Crime and Victims Act of 2004. This crucial amendment closes a gap in the law which allowed parents or carers who cause or allow deliberate serious injury of a child to evade justice. The changes, which were passed by Parliament in March 2012 following years of NSPCC campaigning, mean that anyone found guilty of this offence in England and Wales now faces up to 10 years in prison.

Our new Strategy Unit has been set up to maximise our impact on policy and practice by posing and answering some fundamental child protection questions. It will develop new astute, evidence-based ideas to redesign policy and practice to achieve a step change in child protection and provide timely, authoritative input into ongoing policy debates.

The Unit has already started work on a wide range of issues including reviewing the law on neglect and understanding the risks and opportunities children face from the internet and new technologies.

The year has also seen a steady growth across the NSPCC's social media outlets, giving us a greater platform to build support quickly on important issues. Our Twitter following doubled while our Facebook fan base grew by more than 30 per cent to become the most 'liked' of any children's charity working solely in the UK. By increasing our presence across these media we can connect with more people and build viral campaigns to support our messages.

**Influencing in the UK**
We work directly with governments in all four nations of the UK, speaking out for children's rights and influencing the child protection agenda. Last year in Westminster our work on the Protection of Freedoms Bill ensured that those individuals who commit the most serious offences will be banned from working with children. We also successfully called on parliamentarians to ensure that elected Police and Crime Commissioners would have explicit responsibilities on child protection.

We have made real strides in our influencing work this year in the devolved administrations. We worked with the Scottish Government on a number of topics including early intervention and preventing non-accidental head injuries to babies. In Northern Ireland we have influenced and informed a range of issues as varied as vetting and criminal records review, children services planning and sex offender legislation. In Wales we played a key role in winning the National Assembly debate on bringing forward legislation to give children equal protection from assault, one of our longstanding campaign objectives.

**Influencing the EU**
We also have a voice in Brussels and this year we successfully influenced negotiations on the EU directive on sexual abuse. As a direct result of our work European governments will have to send each other details of criminal convictions when requested for pre-employment checks. This is a real step forward in ensuring abusers can't simply move from country to country leaving their convictions behind them. We have also proactively shaped EU level discussions on developing a framework around child safety online, establishing the NSPCC as a key influencer in negotiations with industry and the European Commission.

# Fundraising highlights

**We would like to thank every supporter who donated or fundraised for the NSPCC this year as well as all of our inspirational volunteers who supported our fundraising. Thanks to your efforts we have seen some significant successes this year in a difficult fundraising climate.**

The general public contributed 90 per cent of our income this year, raising more than £122 million for the NSPCC. At a time of economic austerity this support gives us the independence to continue to fight harder than ever to protect children. We could not continue to carry out our work without the many tens of millions of pounds raised through regular individual donations.


**Some of the fundraising highlights of the year included:**

- We raised more than £70 million over the year thanks to the continued support of our regular donors.
- In December many supporters helped to make a child's Christmas magical by sending them a personal letter from Santa, along with a donation to the NSPCC. This raised £1.7 million, an increase of £400,000 on last year.
- More than 500 runners took part in the London Marathon for the NSPCC raising more than £1 million from the event. This was an increase of £135,000 on the previous year's result and the first time the event has broken the £1 million threshold for the NSPCC.
- ChildLine patron HRH The Countess of Wessex and ChildLine founder Esther Rantzen were joined by hundreds of children at our Carols by Candlelight event in December at Winchester Cathedral, raising over £10,000. Similar events took place across the country.
- The Martin Currie Rob Roy Challenge, a 55-mile combined walk and cycle across the Rob Roy Way in Scotland, chose the NSPCC as one of its nominated charities, raising more than £88,000 towards our work, up from £78,000 in 2010/11.
- We held a number of successful balls over the year to fundraise for ChildLine. More than £720,000 was raised from an event at the Savoy, sponsored by First Direct, a substantial increase on the £462,000 raised in 2011. Meanwhile a ball held at the Hilton Manchester Deansgate hotel in March raised £120,000. The same event in 2011 had raised £88,000.
- Bring a Pound to Work Day in Northern Ireland, in its second year, again raised over £20,000. The event, run in partnership with Cool FM and Downtown Radio and sponsored by SPAR, had more than 300 workplaces taking part.

## We would like to thank every supporter who donated or fundraised for the NSPCC this year

**Nigel Hague**, pictured above, 83, father of British Foreign Secretary William Hague, completed a 10,000-foot skydive at The Skydiving Centre in Grindale in Yorkshire in August, raising more than £52,000 for the NSPCC.

Nigel said: "I really enjoyed the challenge of the skydive, it was thrilling! I was fortunate that the weather held out and was glad to reach terra firma in one piece. I have supported the NSPCC for a number of years and I am thrilled to have raised more than £50,000 from this event."

Nigel is no stranger to big fundraising adventures. In 2009 he successfully climbed the 3,209 ft Scafell Pike in the Lake District in seven and a half hours, raising more than £51,000 towards our work.

## Collaborating with partners will be vital in maximising our reach and influence



# Looking ahead

**This is an exciting time for the NSPCC. Over the next three years our strategy focuses on reaching and supporting more children and families than ever before through our direct services and helplines.**

We will achieve this through pioneering direct services, campaigning for change and continuing to gather evidence and sharing our knowledge and expertise. We will also aim to increase the capacity of our front line services and invest in more practitioners. We are excited to see the impact of our new services and our aspiration is to use the knowledge gained from our work to influence the way the UK approaches issues affecting these key areas of child protection.

**Delivering and developing our services**
We will deliver an increase in the number of children receiving direct services, aiming to reach over 15,500 by 2015. We aim to increase the number of our practitioners by 25 per cent by 2015 to a total of more than 500. They will be working to deliver our 24 existing programmes and work on new programmes we develop.

As we celebrate ChildLine's 25th anniversary in 2012, we are increasing capacity to meet the greater demand from children asking for our help. By 2015, we aim to directly counsel over one million children per year across a range of channels.

The ChildLine Schools Service is being built up rapidly over next three years with a view to our volunteers visiting over 7,000 primary schools and talking to over 500,000 children per year by 2014/15. This will take us a long way to our target of visiting every primary school in the UK once every two years.

As well as educating children how to recognise abuse and neglect and to protect themselves from it, we also aim to ensure that more adults are able to see the signs of child abuse and understand how to take action to prevent it. With this in mind by 2015 we aim to more than double the total number of calls and contacts received by the NSPCC helpline to an annual total of 87,000.

**Influencing and campaigning for change**
By working with others we can achieve so much more for children and the spirit of cooperation and collaboration will remain a key ingredient in the year ahead. We will continue to provide support, training and advice to organisations and the professional community. We will also keep the pressure on government to ensure our concerns on children's issues are properly addressed.

Collaborating with external partners will be vital in maximising our reach and influence. For example we will work in partnership with several local authorities to understand how to provide better services to protect babies from abuse and neglect, and will work with a free school or academy to co-design an exemplar approach to safeguarding children in schools.

Through evaluation of all of our work we plan to generate robust evidence of the effectiveness of our services in order to influence others. We will be employing stringent and tailored evaluation models, including quantitative psychometric measures and qualitative comparisons with similar programmes, to ensure that each service provides measurable benefits to children and families.

There is still a long road ahead, but we are confident that together we can bring about a long-term reduction in child cruelty.

**15,500+**

Our target for the number of children receiving direct services by 2015

# Our Society

Our organisation was founded in 1884, as the London Society for the Prevention of Cruelty to Children, and incorporated by Royal Charter in 1895. We remain 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 national differences.

We embarked on our new six-year strategy in 2009, which is built on 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

This strategy delivers more impact for children, improves the quality of our services to children, creates a more effective organisation and demonstrates success more clearly.

**Board of Trustees**

The Board of Trustees (the Board) has overall responsibility for everything that we do. It has delegated day-to-day decision making and operational matters to our senior management team (the Executive Board) to ensure that we are effectively managed.

The Board currently comprises 16 elected Trustees. Trustees usually serve an initial term of three years that can be extended up to a maximum of nine years. All of our Trustees give their time voluntarily and receive no remuneration or other benefits from the NSPCC. Any expenses incurred by Trustees are set out in note 4 to the financial statements.

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. During last year we undertook an open and transparent recruitment process, having identified the skills and experience that the Board required, and were very pleased to welcome five new Trustees to work with us.

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.

Our Board usually meets six or seven times a year, including an annual Board Away Day to focus on key issues in more depth and to review board performance.

**Delegation**

We have delegated responsibility for specific areas of activity to committees who report back to the Board on a regular basis:

Board of Trustees

- Audit and Risk
- Development
- Divisional Trustees
- Finance
- Fundraising
- Nominations and Governance
- Policy
- Renumeration

**Audit and Risk committee**

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

**Development committee**

Considers the proposed development of any new activities and reviews those that impact on the direction and focus of our strategy.

**Divisional Trustees**

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

**Finance committee**

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

**Fundraising committee**

A recently established committee responsible for reviewing our fundraising strategy and significant product development opportunities.

**Nominations and Governance committee**

Reviews the role and membership of the Board of Trustees and its committees, ensuring compliance with our Royal Charter and bye-laws.

**Policy committee**

A recently established committee responsible for identifying key issues on which we must have a public policy position and communicating them effectively.

**Remuneration committee**

Decides on the appropriate level of remuneration for our Chief Executive and reviews recommendations for members of the Executive Board. Further information on remuneration of senior staff is included in note 8.

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. A framework for levels of decision-making and accountabilities is in place for all our staff.

**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.

**Our Staff**

We are committed to making the NSPCC a great place to work, and wholeheartedly support diversity and equality. We participate 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 27) leads the implementation of the policies laid down by the Board and supports the work of our many volunteers. Executive Board Directors oversee the following areas:

- Child Protection, Advice and Awareness (previously known as Adult Advice and Information Services)
- ChildLine Services
- Child Protection Consultancy
- Services for Children and Families
- Communications
- Corporate Planning and Performance (until 12th March, 2012)
- Corporate Services
- Fundraising
- Human Resources
- Strategy and Development
- Legal and Governance (until 30 March 2012)

# Our statutory responsibilities

**Risk management**
The trustees are satisfied that through our risk management framework, appropriate systems are in place to monitor, manage and mitigate our exposure to risk. We have robust business strategies in place to do this, with a risk register established to grade, assess and manage our exposure. Our Audit and Risk Committee considers our corporate risk register twice a year, where risks are ranked in terms of inherency and impact. That Committee is supported by an internal audit and inspection team with an annual programme of work as well as by our external auditors.

**Public Benefit**
The trustees have a duty to report on our organisation's public benefit under section 4 of the Charities Act 2011. We are confident that our organisation meets those public benefit requirements and have taken Charity Commission guidance into consideration.

Our objective is to end cruelty to children. We believe we meet the public benefit requirements through the range of activities we undertake, most significantly through ChildLine, our free confidential helplines and our services for children and families, with projects in local communities for children who have experienced or are at risk of abuse. We help children facing abuse and neglect, as well as those children in care, and 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.

**Trustees' Statement of Responsibilities**
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

**Subsidiaries, 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 50.



# Financial review

**How you gave your help**
Total incoming resources for the year were £135.7 million (2011 £148.6 million), 8.7 per cent lower than last year, largely due to a reduction in income from fundraising events and statutory sources.

We continue to receive the largest proportion of our income from regular donations, which decreased slightly this year to £70.4 million (2011 £70.8 million). We are grateful to our many and diverse supporters for their ongoing commitment to regular giving despite the challenging economic climate.

Voluntary income (including income from monthly donations) has decreased from last year to £114.4 million (2011 £116.9 million). Legacy income remained in line with last year at £20.1 million (2011 £20.1 million). Voluntary income from community fundraising increased by £0.7 million to £8.1 million (2011 £7.4m) reflecting the hard work of our dedicated volunteers. However, other donations and gifts fell by £2.8 million to £15.9 million (2011 £18.7 million) due to the end of our three-year Child's Voice Appeal.

The NSPCC also generates a large proportion of income through fundraising events, sales of goods, sponsorship and promotional activity. Income from these activities fell by £3.7m to £7.8 million (2011 £11.5 million), partly because the previous year included some hugely successful events such as the Surrealist Ball which were not repeated this year. We also saw income from corporate partnerships suffer in difficult trading conditions.

Income from our supporters (voluntary income and income from fundraising activities) at 90.1 per cent (2011 86.4 per cent) represents an increasing proportion of total incoming resources, and demonstrates our mandate to act on behalf of the public to protect children. Incoming resources from charitable activities received primarily from local authorities and government fell by £6.0 million to £11.1 million (2011 £17.1 million). Government funding for ChildLine and the adult helpline was £2.5 million lower than last year. We also saw a reduction in income from other grants and service level agreements of £3.2 million reflecting a move away from contractual funding as we commission innovative new programmes of work.

**How we helped children**
**Despite challenging economic circumstances, we were able to commit 78.1 per cent* (2011 77.5 per cent) of expenditure to our work with children and young people.**

Total resources expended were £138.8 million (2011 £150.6 million), 7.8 per cent lower than last year. However, at £106.8 million (2011 £111.6 million) charitable expenditure was only 4.2 per cent lower than last year, representing 78.1 per cent of total expenditure (*after deducting other resources expended).

Expenditure on Services for children and families increased by 2.5 per cent to £47.8 million (2011 £46.6 million) as we have continued to roll out pioneering new services across the UK.

We have been streamlining the ChildLine service this year, reducing expenditure by 12.2 per cent to £23.1 million (2011 £26.3 million), whilst ensuring we were able to answer all calls and respond to an increase in online activity.

Expenditure on Child protection advice and awareness has reduced by 9.8 per cent to £27.6 million (2011 £30.6 million). The costs of providing our helpline and adult advice services have remained largely in line with last year, supporting increased levels of demand. However we have reduced our expenditure on promotional activities aimed at raising awareness and influencing behaviour.

We continued to grow our Child protection and consultancy activities this year, with an increase in expenditure of 3.8 per cent to £8.3 million (2011 £8.0 million).

Costs of generating funds fell to £29.1 million (2011 £31.4 million), a decrease of 7.3 per cent, reflecting a reduction in direct marketing activities in the year. 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 in line with last year at £0.9 million (2011 £1.0 million).

Other resources expended fell to £2.0 million in 2012 (2011 £6.5 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 losses on the defined benefit pension scheme (see below), total funds decreased by £4.1 million (2011 £0.8 million).

# Financial review continued

**Reserves**
Total reserves decreased by £4.1 million to £67.3 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 2012 Unrestricted Free Reserves were £43.9 million (2011 £47.5 million) and were equivalent to 3.9 months forward expenditure (2011 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 2012, all of our funds were held in cash or fixed interest bonds available for short-term access.

Income from investments (excluding net return on pension scheme assets) was consistent with prior year at £2.1 million (2011 £2.0 million).

Total cash and investments fell by £12.8 million to £50.7 million (2011 £63.5 million) due to the deficit in the year combined with capital expenditure on our new service centres.

**Pensions**
During the year the NSPCC operated a stakeholder defined contribution pension scheme operated by AEGON 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 committed to contribute £2.0 million per annum for a minimum of five years. The FRS 17 valuation as at 31 March 2012 showed liabilities of £160.7 million with assets of £155.2 million, giving a deficit of £5.5 million (2011 deficit £6.5 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 2014, 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 of the Trustees**
26 July 2012



# 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 2012 which comprise the Consolidated Statement of Financial Activities, the NSPCC and Consolidated 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 144 of the Charities Act 2011, regulations made under section 154 of that Act, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

**Opinion on financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Royal Charter.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept by the parent charity; or
- the parent charity's 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, UK
26 July 2012

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

# Patron, trustees, officers and professional advisers



We warmly thank Anita Green OBE and Ann Shaw CBE for their outstanding commitment and contribution to improving the lives of children and young people

**Co-opted Members**
The Trustees would like to recognise the support given by the following co-opted members who bring their special expertise to the committees on which they sit.

**Andy Briggs**
(Fundraising)

**Clem Brohier**
(Audit and Risk)

**Fiona Curteis**
(Divisional Trustees)

**Geoffrey Godding**
(Fundraising)

**Peter Mead**
(Fundraising)

**Philip Rowley**
(Fundraising)

**Hugo Were**
(Finance)

**John Worth**
(Finance)



**Senior Management**

**Chief Executive***
**Andrew Flanagan**

**Director of Communications***
**Ali Jeremy**

**Director of Corporate Planning and Performance***
**Nicola Alderson**
(until 12 March 2012)

**Director of Fundraising***
**Paul Amadi**
(resigned 1 December 2011)

**Interim Director of Fundraising***
**Michael Parker**
(appointed 19 March 2012)

**Director of Finance and Corporate Services***
**David Roberts**

**Director of Services for Children and Families***
**Carol Long**

**General Counsel and Company Secretary***
**Catherine Dixon**
(resigned 30 March 2012)

**Director of Child Protection Consultancy and Training***
**John Grounds**

**Director of Human Resources***
**Alistair Milne**

**Director of Strategy and Development***
**Phillip Noyes**

**Director of ChildLine***
**Peter Liver**

**Director of Internal Audit and Inspection**
**Mary Handley**
(retired 30 March 2012)

**Director of Child Protection Advice and Awareness***
**Peter Watt**
(appointed 26 September 2011)

*NSPCC Executive Board
We thank Nicola Alderson, Paul Amadi and Catherine Dixon 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 Prescot Street
London E1 8BE

**Auditor**

**Deloitte LLP**
Chartered Accountants
& Statutory Auditor
2 New Street Square
London EC4A 3BZ

**Legal advisors**

**Clifford Chance**
10 Upper Bank Street
London E14 5JJ

**Baker & McKenzie**
100 New Bridge Street
London EC4V 6JA

**Wragge & Co**
142 High Holborn
London EC1N 2SW

**Walker Morris**
Kings Court
12 King Street
Leeds LS1 2HL

**Bates Wells & Braithwate**
2-6 Cannon Street
London EC4M 6YH

**Simmons and Simmons**
CityPoint
One Ropemaker Street
London EC2Y 9SS

**Weil, Gotshal & Manges LLP**
110 Fetter Lane
London EC4A 1AY

**Withersworldwide**
16 Old Bailey
London EC4M 7EG

**Investment Advisors**

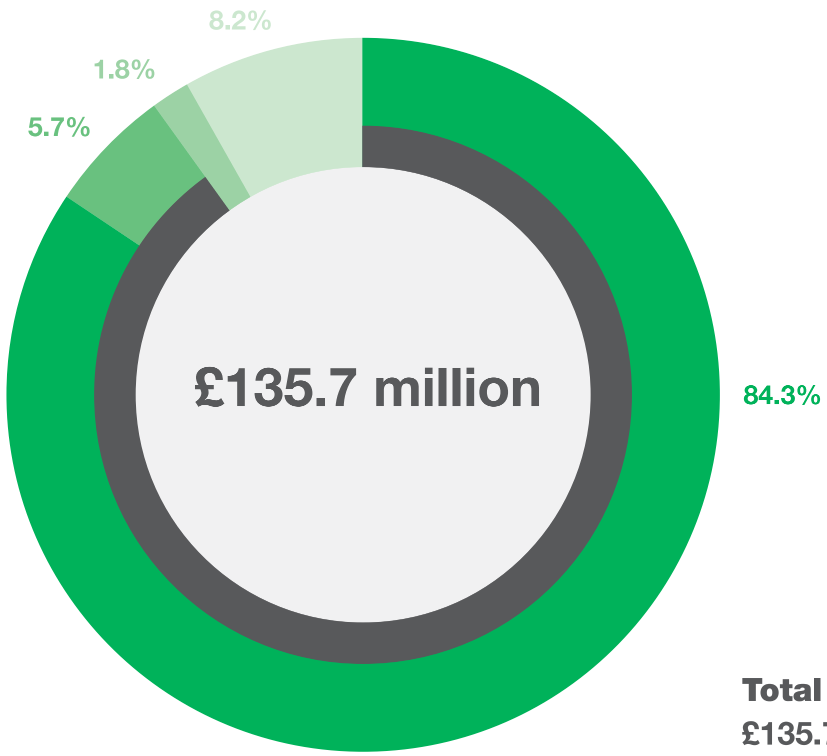
**BlackRock**
33 King William Street
London EC4R 9AS

**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

**£135.7 million**

(2011 £148.6 million)

### Donations, gifts and legacies

**£114.4 million 84.3%**

Voluntary donations made by our supporters on a regular or one-off basis

(2011 £116.9 million, 78.7%)

### Income from fundraising activities

**£7.8 million 5.7%**

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

(2011 £11.5 million, 7.7%)

### Income from our supporters

**£122.2 million 90.1%**

### Investment income

**£2.4 million 1.8%**

Income received from our bank accounts and investment holdings

(2011 £2.3 million, 1.5%)

### Income from carrying out our charitable work

**£11.1 million 8.2%**

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

(2011 £17.1 million, 11.5%)

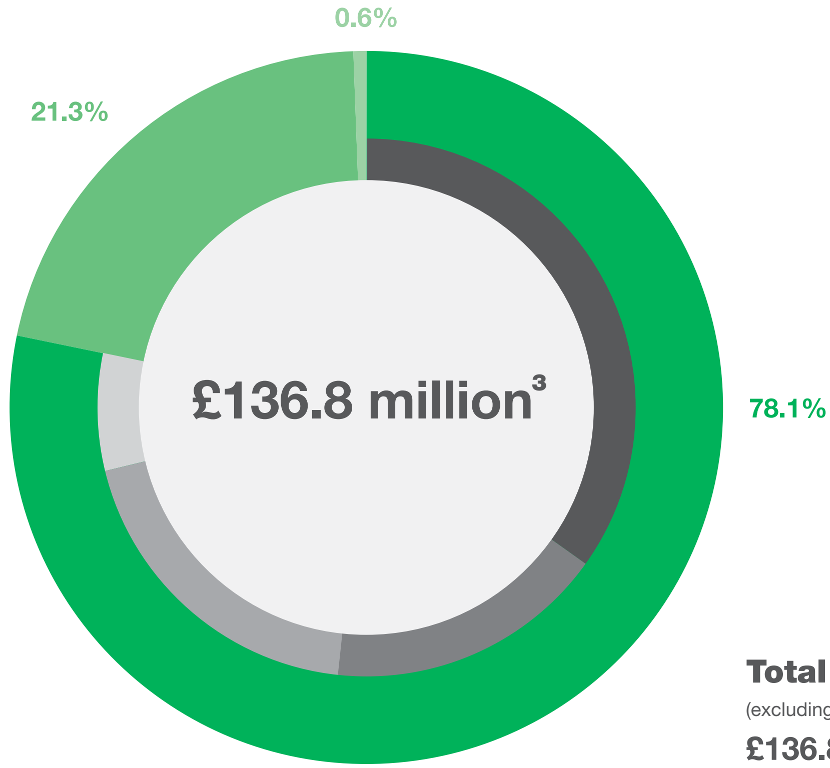
### Other

**£0 million 0%**

This includes our share of the income of Charityshare which we disposed of in 2011, and other miscellaneous income

(2011 £0.8 million, 0.5%)

# How we helped children




## Total resources expended

(excluding other costs of a one-off nature)

**£136.8 million**

(2011 £144.1 million)

### Charitable expenditure

**£106.8 million 78.1%**

(2011 £111.6 million)

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

Services for children and families £47.8 million
(2011 £46.6 million)

ChildLine £23.1 million
(2011 £26.3 million)

Child protection advice and awareness £27.6 million
(2011 £30.6 million)

Child protection consultancy £8.3 million
(2011 £8.0 million)

### Cost of generating income

**£29.1 million 21.3%**

The cost of receiving voluntary donations, undertaking fundraising activities, attracting new supporters and ongoing supporter care

(2011 £31.4 million)

### Governance

**£0.9 million 0.6%**

Costs incurred in meeting constitutional and statutory requirements

(2011 £1.0 million)

### Other[4]

**£2 million**

Other costs incurred which are of a one-off nature

(2011 £6.5 million)

[3,4] Total resources expended were £138.8 million (2011 £150.6 million) including other resources expended of £2.0 million (2011 £6.5 million). These have been excluded from the figures presented above as they are costs of a one-off nature.

# NSPCC consolidated statement of financial activities

**for the year ended 31 March 2012**

| | Notes | General & Designated Funds £'000 | Restricted & Endowment Funds £'000 | Year to 31 March 2012 £'000 | Year to 31 March 2011 £'000 |
|---|---|---|---|---|---|
| **Incoming resources** | | | | | |
| Voluntary income (including donations, gifts and legacies) | 2 | 103,143 | 11,280 | 114,423 | 116,941 |
| Activities for generating funds (including fundraising events and sale of goods) | 2 | 5,357 | 2,436 | 7,793 | 11,507 |
| Investment income | 2 | 2,364 | 8 | 2,372 | 2,306 |
| **Incoming resources from generated funds** | | **110,864** | **13,724** | **124,588** | **130,754** |
| Incoming resources from charitable activities | 3 | 3,787 | 7,328 | 11,115 | 17,066 |
| Other incoming resources (including profit on disposals of fixed assets) | | - | - | - | 796 |
| **Total incoming resources** | | **114,651** | **21,052** | **135,703** | **148,616** |
| Costs of generating voluntary income | 4 | 24,306 | 5 | 24,311 | 28,721 |
| Fundraising trading: costs of goods sold and other costs | 4 | 4,097 | 574 | 4,671 | 2,559 |
| Investment management costs | 4 | 104 | 1 | 105 | 109 |
| **Costs of generating funds** | | **28,507** | **580** | **29,087** | **31,389** |
| **Net incoming resources available for charitable application** | | **86,144** | **20,472** | **106,616** | **117,227** |
| Services for children and families | | 41,510 | 6,260 | 47,770 | 46,627 |
| ChildLine | | 7,769 | 15,351 | 23,120 | 26,329 |
| Child protection advice and awareness | | 25,706 | 1,932 | 27,638 | 30,635 |
| Child protection consultancy | | 6,969 | 1,364 | 8,333 | 8,032 |
| **Cost of charitable activities** | 4 | **81,954** | **24,907** | **106,861** | **111,623** |
| Governance costs | 4 | 868 | - | 868 | 1,042 |
| Other resources expended | 4 | 1,937 | 50 | 1,987 | 6,532 |
| **Net incoming/(outgoing) resources before transfers** | | **1,385** | **(4,485)** | **(3,100)** | **(1,970)** |
| Transfer to restricted funds | 21 | - | - | - | - |
| **Net movement in funds before other recognised gains and losses** | | **1,385** | **(4,485)** | **(3,100)** | **(1,970)** |
| **Other recognised gains and losses** | | | | | |
| Gains/(losses) on investment assets | 12 | 193 | 6 | 199 | (391) |
| Actuarial (losses)/gains on defined benefit pension scheme | 19 | (1,242) | - | (1,242) | 1,588 |
| **Net movement in funds** | | **336** | **(4,479)** | **(4,143)** | **(773)** |
| **Total funds brought forward** | | 57,717 | 13,769 | 71,486 | 72,259 |
| **Total funds carried forward** | | **58,053** | **9,290** | **67,343** | **71,486** |
| Note | | | | | |
| **Total incoming resources** | | **114,651** | **21,052** | **135,703** | **148,616** |
| **Total resources expended** | 4 | **113,266** | **25,537** | **138,803** | **150,586** |
| **Net incoming/(outgoing) resources before transfers** | | **1,385** | **(4,485)** | **(3,100)** | **(1,970)** |

All income relates to continuing operations, which have been disclosed in note 9.

The net gains 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.

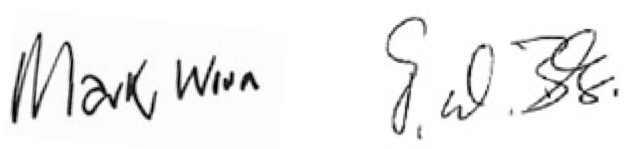


# NSPCC and consolidated balance sheets

**as at 31 March 2012**

| | Notes | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 10 | 33,849 | 31,338 | 33,849 | 31,338 |
| Investments | 12 | 48,647 | 52,560 | 48,647 | 52,560 |
| **Total fixed assets** | | **82,496** | **83,898** | **82,496** | **83,898** |
| **Current assets** | | | | | |
| Debtors | 13 | 8,410 | 8,464 | 7,968 | 8,090 |
| Investments | 14 | 1,060 | 10,683 | 1,060 | 10,683 |
| Cash at bank and in hand | 14 | 1,016 | 231 | 931 | 149 |
| **Total current assets** | | **10,486** | **19,378** | **9,959** | **18,922** |
| Creditors – amounts falling due within one year | 15 | (12,729) | (15,290) | (12,232) | (14,913) |
| **Net current (liabilities)/assets** | | **(2,243)** | **4,088** | **(2,273)** | **4,009** |
| **Total assets less current liabilities** | | **80,253** | **87,986** | **80,223** | **87,907** |
| Creditors - amounts falling due after one year | 16 | (143) | (464) | (143) | (464) |
| Provisions for liabilities | 17 | (7,273) | (9,560) | (7,273) | (9,511) |
| **Net assets excluding pension scheme liability** | | **72,837** | **77,962** | **72,807** | **77,932** |
| Defined benefit pension scheme liability | 19 | (5,494) | (6,476) | (5,494) | (6,476) |
| **Net assets including pension scheme liability** | | **67,343** | **71,486** | **67,313** | **71,456** |
| **Capital funds** | | | | | |
| Endowments | 21 | 1,380 | 1,374 | 1,380 | 1,374 |
| **Income funds** | | | | | |
| Restricted | 21 | 7,910 | 12,395 | 7 ,910 | 12,395 |
| Unrestricted: | | | | | |
| Designated funds | 21 | 19,642 | 16,721 | 19,642 | 16,721 |
| Free reserves | 21 | 43,905 | 47,472 | 43,875 | 47,442 |
| Unrestricted funds excluding pension liability | | 63,547 | 64,193 | 63,517 | 64,163 |
| Pension reserve | 19 | (5,494) | (6,476) | (5,494) | (6,476) |
| Unrestricted funds including pension liability | | 58,053 | 57,717 | 58,023 | 57,687 |
| **Total funds** | | **67,343** | **71,486** | **67,313** | **71,456** |

Approved by the Board of Trustees on 26 July 2012 and signed on its behalf by



**Mark Wood**
**Chairman**

**Jonathan Bloomer**
**Treasurer**

# Consolidated cash flow statment

for the year ended 31 March 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|---|---|---|
| Net cash (outflow)/inflow from operating activities | a | (7,886) | 667 |
| Returns on investments and servicing of finance | b | 2,372 | 2,306 |
| Capital expenditure and financial investment | c | (3,324) | (632) |
| **Net cash (outflow)/inflow before management of liquid resources** | | **(8,838)** | **2,341** |
| Management of liquid resources | d | 9,623 | (4,465) |
| **Increase/(decrease) in cash in the year** | | **785** | **(2,124)** |

| Notes to the Cash Flow Statement | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **a. Reconciliation of net outgoing resources to net cash inflow from operating activities** | | |
| Net outgoing resources before other recognised gains and losses | (3,100) | (1,970) |
| Investment income | (2,372) | (2,306) |
| Depreciation | 4,041 | 3,811 |
| Impairment charges | 870 | 1,902 |
| Loss on disposal of tangible fixed assets | 14 | 798 |
| Decrease in debtors | 54 | 231 |
| (Decrease)/increase in creditors | (2,882) | 3,282 |
| Difference between pension contributions paid and charges made | (2,224) | (2,280) |
| Decrease in other provisions | (2,287) | (2,801) |
| **Net cash (outflow)/inflow from operating activities** | **(7,886)** | **667** |
| **b. Returns on investments and servicing of finance** | | |
| Investment income received | 2,372 | 2,306 |
| **c. Capital expenditure and financial investment** | | |
| Purchase of tangible fixed assets | (8,001) | (4,647) |
| Sale of tangible fixed assets | 565 | 1,534 |
| Purchase of investments | (20,747) | (23,937) |
| Sale of investments | 24,859 | 26,418 |
| **Total** | **(3,324)** | **(632)** |
| **d. Management of liquid resources** | | |
| Decrease/(increase) in short term investments | 9,623 | (4,465) |

| e. Analysis of changes in net funds | 1 April 2011 £'000 | Cash Flow £'000 | 31 March 2012 £'000 |
|---|---|---|---|
| Cash at bank and in hand | 231 | 785 | 1,016 |
| Short term investments | 10,683 | (9,623) | 1,060 |
| **Total** | **10,914** | **(8,838)** | **2,076** |

| f. Reconciliation of net cash flow to movement in net funds | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Increase/(decrease) in cash in the year | 785 | (2,124) |
| Cash used to increase liquid resources | (9,623) | 4,465 |
| **Change in net funds** | **(8,838)** | **2,341** |
| Net funds balance brought forward | 10,914 | 8,573 |
| **Net funds balance carried forward** | **2,076** | **10,914** |



# Notes to the consolidated accounts

## 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 2011 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.

### 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 date of notification 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 Child Protection, Advice and Awareness 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.

# Notes to the consolidated accounts

## 1 Accounting policies continued

### 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.

**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 and a value assessed by the trustees. This value is reviewed by the trustees at each balance sheet date.

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

### 1.8 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 2012 £'000 | Total 2011 £'000 |
|---|---|---|
| **Voluntary income** | | |
| Monthly donations from individuals | 70,367 | 70,831 |
| Legacies | 20,069 | 20,075 |
| Community fundraising | 8,057 | 7,358 |
| Other donations and gifts | 15,930 | 18,677 |
| **Total voluntary income** | **114,423** | **116,941** |
| **Activities for generating funds** | | |
| Sale of goods | 147 | 203 |
| Fundraising events | 6,040 | 8,897 |
| Other * | 1,606 | 2,407 |
| **Total activities for generating funds** | **7,793** | **11,507** |
| **Investment income** | | |
| Dividends - UK | 2 | 100 |
| Interest | 2,146 | 1,928 |
| Net return on pension scheme assets | 224 | 278 |
| **Total investment income** | **2,372** | **2,306** |

*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 £470,000 (2011 £348,000) and have been recognised as voluntary income within other donations and gifts.

Other donations and gifts also includes £383,000 (2011 £385,000) income received for a capital purpose.

## 3 Analysis of incoming from charitable activities

### Income raised by the follow 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 2012 £'000 | Total 2011 £'000 |
| Services for children and families | 2,380 | 164 | 574 | 369 | - | 3,487 | 6,647 |
| ChildLine | 53 | - | 3,968 | 15 | - | 4,036 | 7,495 |
| Child protection advice and awareness | - | - | 667 | 52 | - | 719 | 48 |
| Child protection consultancy | 99 | - | 1,245 | 1,212 | 317 | 2,873 | 2,876 |
| **Total incoming resources from charitable activities** | **2,532** | **164** | **6,454** | **1,648** | **317** | **11,115** | **17,066** |

Donated services and facilities under service level agreements amounted to £122,000 (2011 £125,000) in respect of staff secondments, and £41,000 (2011 £158,000) in respect of premises and other facilities which have been recognised as gifts in kind.

Grants and one-off fees includes £nil (2011 £nil) income received for a capital purpose.

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

# Notes to the consolidated accounts

## 4 Analysis of total resources expended

| Costs of generating funds: | Notes | Direct costs £'000 | Support costs £'000 | Total 2012 £'000 | Total 2011 £'000 |
|---|---|---|---|---|---|
| **Costs of generating voluntary income** | | | | | |
| Costs of raising monthly donations from individuals | | 9,725 | 227 | 9,952 | 13,884 |
| Costs of raising legacy income | | 1,671 | 69 | 1,740 | 1,102 |
| Costs of community fundraising | | 4,118 | 341 | 4,459 | 5,204 |
| Costs of raising other voluntary income | | 7,511 | 649 | 8,160 | 8,531 |
| **Total costs of generating voluntary income** | | **23,025** | **1,286** | **24,311** | **28,721** |
| **Costs of fundraising trading** | | | | | |
| Costs of sales of goods | | 753 | 43 | 796 | 228 |
| Costs of fundraising events | | 3,081 | 101 | 3,182 | 1,809 |
| Costs of other activities for generating funds | | 675 | 18 | 693 | 522 |
| **Total costs of fundraising trading** | | **4,509** | **162** | **4,671** | **2,559** |
| Investment manager costs | | 105 | - | 105 | 109 |
| **Total costs of generating funds** | 5 | **27,639** | **1,448** | **29,087** | **31,389** |
| **Activities to end cruelty to children** | | | | | |
| Services for children and families | | 43,872 | 3,898 | 47,770 | 46,627 |
| ChildLine | | 21,636 | 1,484 | 23,120 | 26,329 |
| Child protection advice and awareness | 5 | 26,309 | 1,329 | 27,638 | 30,635 |
| Child protection consultancy | | 7,709 | 624 | 8,333 | 8,032 |
| **Total costs of charitable activities** | | **99,526** | **7,335** | **106,861** | **111,623** |
| **Total governance costs** | 7 | **868** | **-** | **868** | **1,042** |
| **Other resources expended** | | | | | |
| Dilapidations provision | | (1,084) | - | (1,084) | (711) |
| Restructuring costs | | 2,421 | - | 2,421 | 4,154 |
| Write down of property and equipment | | 869 | - | 869 | 1,630 |
| Other costs | | (219) | - | (219) | 663 |
| Share of expenditure of joint arrangement not an entity; Charityshare Limited | | - | - | - | 796 |
| **Total other resources expended** | | **1,987** | **-** | **1,987** | **6,532** |
| **Total resources expended** | | **130,020** | **8,783** | **138,803** | **150,586** |

Included in total resources expended is irrecoverable Value Added Tax of £7,629,000 (2011 £7,087,000).

The NSPCC recorded income in the year ending 31 March 2011 of £1.8 million relating to the sale of an asset prior to the balance sheet date. The purchaser made an initial payment of £0.45 million in the year ending 31 March 2012. The NSPCC retains full title to the asset until payment has been made in full, and provided for £1.35 million of the outstanding debt within other resources expended in the year ending 31 March 2011. This remains a balance in the provision for doubtful debts at 31 March 2012.

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 restructuring costs relate 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.

**Child protection advice and awareness (formerly 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.

### Total resources expended is stated after charging:

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **Operating lease rentals** | | |
| Plant and machinery | 21 | 55 |
| Other | 2,714 | 3,283 |
| **Fees payable to the Charity's auditors for** | | |
| The audit of the Charity and Group accounts | 92 | 97 |
| The audit of the Charity's subsidiaries' accounts pursuant to legislation | 6 | 10 |
| **Total audit fees** | **98** | **107** |
| Tax services | 2 | 5 |
| Other consultancy | - | - |
| **Total non-audit fees** | **2** | **5** |
| **Depreciation** | | |
| On owned assets | 4,041 | 3,811 |
| **Trustees' expenses** | | |
| Trustees' travel and other expenses | 14 | 42 |

The trustees are not entitled to and did not receive any remuneration during the year (2011 £nil). Total trustees expenses of £14,000 were incurred in the year (2011 £42,000). Eight trustees reclaimed travel and other expenses during the year (2011 eight). During the year, the NSPCC paid indemnity insurance in respect of the trustees of £10,719 (2011 £13,157).

# Notes to the consolidated accounts

## 5 Child protection advice and awareness

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

- makes the public aware of the incidence and effects of child abuse and everyone's shared responsibility to act to stop it;
- provides comprehensive and expert advice and information on child protection to professionals and other relevant parties;
- provides advice, guidance and support to adults who are concerned about the welfare of a child or young person, enabling them to take appropriate action; and
- informs the public and fellow professionals about the NSPCC's own action to protect children and young people through its services for them and their families.

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

| | 2012 Costs of generating funds £'000 | 2012 Child protection advice and awareness £'000 | 2011 Costs of generating funds £'000 | 2011 Child protection advice and awareness £'000 |
|---|---|---|---|---|
| Charged directly | 13,265 | 10,715 | 4,912 | 11,251 |
| Allocated costs | 14,374 | 15,594 | 24,972 | 17,965 |
| **Sub-total** | **27,639** | **26,309** | **29,884** | **29,216** |
| Support costs allocated | 1,448 | 1,329 | 1,505 | 1,419 |
| **Total** | **29,087** | **27,638** | **31,389** | **30,635** |

Expenditure incurred each year is, where possible, charged directly to raising awareness 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.

## 6 Allocation of support costs

| | Total allocated to fundraising £'000 | Total allocated to charitable activities £'000 | Total 2012 £'000 | Total 2011 £'000 |
|---|---|---|---|---|
| **Type of cost** | | | | |
| Divisional management | 40 | 463 | 503 | 552 |
| Central management and administration | 811 | 4,625 | 5,436 | 4,772 |
| Premises, legal and other support costs | 597 | 2,247 | 2,844 | 3,845 |
| **Total support costs allocated** | **1,448** | **7,335** | **8,783** | **9,169** |

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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Governance and professional support for trustees | 770 | 935 |
| External audit | 98 | 107 |
| **Total governance costs** | **868** | **1,042** |

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

## 8 Employees

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **Total staff costs** | | |
| Wages and salaries | 62,813 | 60,520 |
| Cost of seconded staff | 756 | 583 |
| Social security costs | 6,735 | 6,346 |
| Pension costs | 5,095 | 5,274 |
| **Total** | **75,399** | **72,723** |

The average number of employees on the payroll for the year was 2,293 (2011 2,220). The average number of employees, calculated on a full time equivalent basis for the year was 1,911 (2011 1,855). 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 of 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:

| | 2012 Number | 2011 Number |
|---|---|---|
| Activities to end cruelty to children | 1,384 | 1,326 |
| Generating funds | 344 | 365 |
| Support and governance | 183 | 164 |
| **Total** | **1,911** | **1,855** |

# Notes to the consolidated accounts

## 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:**

| | 2012 Number | 2011 Number |
|---|---|---|
| £160,001-£170,000 | 1 | - |
| £150,001-£160,000 | - | 1 |
| £120,001-£130,000 | 1 | 1 |
| £110,001-£120,000 | 1 | 1 |
| £100,001-£110,000 | 4 | 4 |
| £90,001-£100,000 | 3 | - |
| £80,001-£90,000 | 2 | 2 |
| £70,001-£80,000 | 13 | 9 |
| £60,001-£70,000 | 24 | 17 |
| **Total** | **49** | **35** |

46 out of the 49 employees earning more than £60,000 participated in the defined contribution (stakeholder) pension scheme (2011 32 of the 35). Employer contributions to the stakeholder scheme for employees earning over £60,000 in the year were £338,000 (2011 £260,000).

## 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.

**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.

### Profit and loss account

| | NSPCC Trading 2012 £'000 | NSPCC Trading 2011 £'000 |
|---|---|---|
| Turnover | 4,029 | 5,070 |
| Cost of sales | (1,247) | (1,038) |
| **Gross profit** | **2,782** | **4,032** |
| Net operating costs | (846) | (778) |
| **Operating profit** | **1,936** | **3,254** |
| Interest receivable | - | - |
| **Profit on ordinary activities before gift aid payment** | **1,936** | **3,254** |
| Amount gift aided to NSPCC | (1,936) | (3,254) |
| **Retained profit for the year** | **-** | **-** |
| **Assets, liabilities and funds** | | |
| Assets | 1,737 | 1,556 |
| Liabilities | (1,707) | (1,526) |
| **Total funds including 100 ordinary shares of £1 each** | **30** | **30** |

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 2012 £'000 | ChildLine 2012 £'000 | NSPCC excluding subsidiaries 2011 £'000 | ChildLine 2011 £'000 |
|---|---|---|---|---|
| Total incoming resources | 133,620 | 641 | 146,014 | 827 |
| Total resources expended | (136,721) | (641) | (147,981) | (827) |
| **Net outgoing resources** | **(3,101)** | **-** | **(1,967)** | **-** |
| Gain/(loss) on investment assets | 199 | - | (391) | - |
| Actuarial (loss)/gain on defined benefit schemes | (1,242) | - | 1,588 | - |
| **Net movement in funds** | **(4,144)** | **-** | **(770)** | **-** |
| Funds balance brought forward | 71,456 | - | 72,226 | - |
| **Funds balance carried forward** | **67,312** | **-** | **71,456** | **-** |

The total incoming resources figure for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £1,936,000 (2011 £3,254,000) and the grant from ChildLine of £641,000 (2011 £827,000).

## 10 Tangible Fixed Assets

### Group and charity

| | Freehold property £'000 | Leasehold property £'000 | Furniture, fittings, equipment & computer software £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2011 | 26,612 | 17,175 | 17,880 | 61,667 |
| Additions | 1,352 | 3,492 | 3,157 | 8,001 |
| Disposals | (483) | (2,172) | (551) | (3,206) |
| **31 March 2012** | **27,481** | **18,495** | **20,486** | **66,462** |
| **Depreciation** | | | | |
| 1 April 2011 | 11,215 | 8,928 | 10,186 | 30,329 |
| Impairment Charges | 31 | 772 | 67 | 870 |
| Charge for year | 336 | 1,015 | 2,690 | 4,041 |
| Disposals | (233) | (2,109) | (285) | (2,627) |
| **31 March 2012** | **11,349** | **8,606** | **12,658** | **32,613** |
| **Net book value:** | | | | |
| **31 March 2012** | **16,132** | **9,889** | **7,828** | **33,849** |
| 31 March 2011 | 15,397 | 8,247 | 7,694 | 31,338 |

# Notes to the consolidated accounts

## 8 Employees (continued)

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 year ending 31 March 2010 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 the prior year and the 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 2012 (2011 £nil).

## 12 Investments

| | Group and Charity 2012 £'000 | Group and Charity 2011 £'000 |
|---|---|---|
| Market value at 1 April | 52,560 | 55,432 |
| Purchases at cost | 20,747 | 23,937 |
| Disposals at carrying value | (24,859) | (26,418) |
| Increase/(decrease) in market value (excluding movement in value of donated shares) | 199 | (391) |
| **Value at 31 March** | **48,647** | **52,560** |
| Historical cost as at 31 March | 47,075 | 51,501 |

The listed investments include shares in three companies, which are 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 2012 there were no listed shares (in 2011 there were three listed shares valued at £185,000).

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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| UK fixed interest bonds & deposits | 27,032 | 26,713 |
| UK deposit bank accounts | 20,833 | 25,318 |
| UK cash instruments | 782 | 529 |
| **Value at 31 March** | **48,647** | **52,560** |

**At 31 March 2012 the following investments represented more than 5 percent of the portfolio by market value:**

| | % | Value £'000 |
|---|---|---|
| M&G Corporate Bond Fund | 24.8% | 12,050 |
| UBS Fund | 23.2% | 11,268 |
| RBS Call Plus Account | 15.1% | 7,329 |
| Henderson Pref & Bond CLS | 9.2% | 4,496 |
| Alliance and Leicester Deposit Account | 8.5% | 4,158 |
| Barclays Deposit Account | 8.1% | 3,960 |

## 13 Debtors

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|
| Trade debtors | 1,898 | 3,242 | 938 | 1,717 |
| Amounts due from group undertakings | - | - | 1,206 | 1,100 |
| Other debtors | 1,334 | 1,770 | 1,306 | 1,707 |
| Prepayments | 1,878 | 1,584 | 1,579 | 1,321 |
| Accrued income | 3,300 | 1,868 | 2,939 | 2,245 |
| **Total** | **8,410** | **8,464** | **7,968** | **8,090** |

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

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|
| Current investments | 1,060 | 10,683 | 1,060 | 10,683 |
| Cash at bank and in hand | 1,016 | 231 | 931 | 149 |
| **Total** | **2,076** | **10,914** | **1,991** | **10,832** |

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 at 31 March 2011 is after deducting £409,000 relating to cash held as an agent. This relates to grant income received by the NSPCC which was paid to the beneficiary in the year ending 31 March 2012.

## 15 Creditors: amounts falling due within one year

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|
| Trade creditors | 4,987 | 8,126 | 4,985 | 8,126 |
| Other creditors | 2,932 | 2,737 | 2,890 | 2,598 |
| Accruals | 3,642 | 3,565 | 3,614 | 3,542 |
| Deferred income (see note 18) | 1,168 | 862 | 743 | 647 |
| **Total** | **12,729** | **15,290** | **12,232** | **14,913** |

## 16 Creditors: amounts falling due after one year

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|
| Accruals | 38 | 253 | 38 | 253 |
| Deferred VAT liability | 105 | 211 | 105 | 211 |
| **Total** | **143** | **464** | **143** | **464** |

# Notes to the consolidated accounts

## 17 Provisions

| | Dilapidations on leasehold properties 2012 £'000 | Restructuring 2012 £'000 | Other 2012 £'000 | Total Charity 2012 £'000 | Restructuring 2012 £'000 | Total Group 2012 £'000 |
|---|---|---|---|---|---|---|
| Opening balance at 1 April 2011 | 4,616 | 4,529 | 366 | 9,511 | 49 | 9,560 |
| Increase in provision in the year | 223 | 2,999 | 119 | 3,341 | - | 3,341 |
| Utilised in the year | (1,430) | (3,857) | (292) | (5,579) | (49) | (5,628) |
| **Closing balance at 31 March 2012** | **3,409** | **3,671** | **193** | **7,273** | **-** | **7,273** |
| **Commitments are likely to be met** | | | | | | |
| Within one year | 1,670 | 2,377 | 193 | 4,240 | - | 4,240 |
| After one year and less than five years | 1,739 | 889 | - | 2,628 | - | 2,628 |
| After five years | - | 405 | - | 405 | - | 405 |
| **Total** | **3,409** | **3,671** | **193** | **7,273** | **-** | **7,273** |

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 2011 £'000 | Deferred £'000 | Released £'000 | 31 March 2012 £'000 |
|---|---|---|---|---|
| Statutory sources | 35 | - | (35) | - |
| Other charitable sources | 70 | 228 | (70) | 228 |
| Income from fundraising activities | 542 | 516 | (542) | 516 |
| **Total for the Charity** | **647** | **744** | **(647)** | **744** |
| Income from fundraising activities | 215 | 424 | (215) | 424 |
| **Total for the Group** | **862** | **1,168** | **(862)** | **1,168** |

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|---|---|---|---|
| **The main reasons for deferrals are as follows** | | | | |
| Time restrictions imposed by funder | - | 35 | - | 35 |
| Potentially refundable income received for future events | 940 | 757 | 516 | 542 |
| Other deferrals | 228 | 70 | 228 | 70 |
| **Total** | **1,168** | **862** | **744** | **647** |

## 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 £4,595,000 (2011 £4,774,000). As at 31 March 2012, £419,000 was outstanding (2011 £449,000).

### 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.

In July 2010, the government announced its intention that future statutory minimum pension increases would be measured by the Consumer Prices Index, rather than the Retail Prices Index. Following legal advice, the effect of the announcement on scheme benefits has now been established and this has been reflected in the assumptions adopted this year, resulting in a gain which has been included in the actuarial gain/loss on liabilities figure shown below.

### 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 2012, 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 2012 was 6.0 per cent pa (2011 6.2 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 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 2013 is £2,500,000 (2012 actual: £2,500,000). This figure 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 | 31 March 2012 | 31 March 2011 |
|---|---|---|
| Retail price inflation | 3.20% pa | 3.60% pa |
| Consumer price inflation | 2.20% pa | n/a |
| Discount rate | 4.40% pa | 5.25% pa |
| Pension increases (5% LPI) | 3.10% pa | 3.50% pa |
| Life expectancy of male aged 60 | 27.4 years | 27.3 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 price inflation (CPI) before retirement.

# Notes to the consolidated accounts

## 19 NSPCC Pension Schemes (continued)

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 2012 | 31 March 2011 | 31 March 2010 | 31 March 2009 | 31 March 2008 |
|---|---|---|---|---|---|
| Fair value of assets | 155,238 | 148,168 | 141,371 | 106,474 | 128,600 |
| Present value of liabilities | (160,732) | (154,644) | (151,715) | (123,547) | (133,839) |
| **Deficit in the scheme, equalling the net pension liability** | **(5,494)** | **(6,476)** | **(10,344)** | **(17,073)** | **(5,239)** |

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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Past service cost | 500 | 500 |
| Interest cost | 7,979 | 7,827 |
| Expected return of scheme's assets | (8,203) | (8,105) |
| **Total expense** | **276** | **222** |

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:

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Equities | 38,626 | 39,307 |
| Bonds | 66,498 | 58,816 |
| Property | 6,540 | 9,426 |
| Absolute return fund | 20,894 | 19,301 |
| Diversified growth fund | 20,598 | 19,841 |
| Cash/other | 2,082 | 1,477 |
| **Total assets** | **155,238** | **148,168** |

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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Opening value of scheme liabilities | 154,644 | 151,715 |
| Past service cost | 500 | 500 |
| Interest cost | 7,979 | 7,827 |
| Actuarial loss/(gain) | 3,018 | (89) |
| Benefits paid | (5,409) | (5,309) |
| **Closing value of scheme liabilities** | **160,732** | **154,644** |

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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Opening value of scheme assets | 148,168 | 141,371 |
| Expected return on plan assets | 8,203 | 8,105 |
| Actuarial gain | 1,776 | 1,501 |
| Contributions by the employer | 2,500 | 2,500 |
| Benefits paid | (5,409) | (5,309) |
| **Closing value of scheme assets** | **155,238** | **148,168** |

The actual return on the scheme's assets over the year was a gain of £9,979,000 (2011 gain of £9,606,000).

The following amounts for 2008-2012 have been recognised under the "actuarial gains and losses on defined benefit pension scheme" heading within the statement of financial activities:

| | 2012 £'000 | 2011 £'000 | 2010 £'000 | 2009 £'000 | 2008 £'000 |
|---|---|---|---|---|---|
| Actual return less expected return on scheme assets | 1,776 | 1,501 | 28,950 | (32,677) | (11,294) |
| Percentage of scheme's assets | 1% | 1% | 20% | (31%) | (9%) |
| Experience gains and (losses) arising on scheme's liabilities | - | - | 3,796 | - | (11) |
| Percentage of the FRS17 value of the scheme's liabilities | - | - | 3% | - | - |
| Gain or (loss) due to changes in assumptions underlying the present value of the scheme liabilities | (3,018) | 89 | (25,684) | 21,206 | 8,206 |
| Percentage of the FRS17 value of the scheme's liabilities | (2%) | - | (17%) | 17% | 6% |
| Actuarial (loss)/gain | (1,242) | 1,588 | 7,062 | (11,471) | (3,098) |
| Percentage of the FRS value of the scheme's liabilities | (1%) | 1% | 5% | (9%) | (2%) |

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 £11,405,000.

## 20 Annual operating lease commitments

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

| | Land and Buildings 2012 £'000 | Other 2012 £'000 | Land and Buildings 2011 £'000 | Other 2011 £'000 |
|---|---|---|---|---|
| Within one year | 184 | 12 | 639 | 100 |
| Between one and five years | 1,510 | 79 | 1,588 | 76 |
| After five years | 85 | - | 100 | - |
| **Total** | **1,779** | **91** | **2,327** | **176** |

# Notes to the consolidated accounts

## 21 Endowment, Restricted and Designated Funds

| | Balance 1 April 2011 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Gains and Losses £'000 | Transfers £'000 | Balance 31 March 2012 £'000 |
|---|---|---|---|---|---|---|
| **Permanent endowment funds** | | | | | | |
| **Charity** | | | | | | |
| Permanent Endowment Fund | 1,345 | - | - | 6 | - | 1,351 |
| N Natchbull Endowment Fund | 10 | - | - | - | - | 10 |
| M Glaister Fund | 10 | - | - | - | - | 10 |
| A Sykes Fund | 9 | - | - | - | - | 9 |
| **Total permanent endowment funds** | **1,374** | **-** | **-** | **6** | **-** | **1,380** |
| **Restricted funds** | | | | | | |
| **Charity** | | | | | | |
| Projects and helplines funded by local authorities and other statutory bodies | 5 | 1,162 | (1,166) | - | - | 1 |
| Project funded by London Councils (see i) | 20 | 76 | (96) | - | - | - |
| ChildLine and NSPCC Helpline funded by DfE (see ii) | 1,798 | 4,000 | (5,237) | - | - | 561 |
| Activities to end cruelty to children funded by restricted donations from the FULL STOP appeal | 1,472 | 215 | (1,678) | - | - | 9 |
| ChildLine restricted funds received by NSPCC | 327 | 5,350 | (5,628) | - | - | 49 |
| Helpline Development Project funded by Child's Voice Appeal | 612 | 3,575 | (4,090) | - | - | 97 |
| Acquisition of buildings | 4,677 | 242 | (398) | - | (7) | 4 ,514 |
| ChildLine counselling funded by DHSSPS of Northern Ireland (see iii) | - | 63 | (63) | - | - | - |
| Project funded by 'V' (see iv) | - | 15 | (15) | - | - | - |
| Activities to end cruelty to children funded by other restricted donations | 1,600 | 5,545 | (6,175) | - | 7 | 9 77 |
| Cardiff Centre for Wales | 1,881 | 697 | (876) | - | - | 1,702 |
| Caring Dads Cymru Programme funded by Welsh Assembly Government (see v) | 3 | 112 | (115) | - | - | - |
| **Total restricted funds** | **12,395** | **21,052** | **(25,537)** | **-** | **-** | **7,910** |
| **Total restricted and endowment funds** | **13,769** | **21,052** | **(25,537)** | **6** | **-** | **9,290** |
| **Designated funds** | | | | | | |
| **Charity** | | | | | | |
| Freehold and leasehold properties | 16,721 | - | (1,764) | - | 4,685 | 19,642 |
| **Total designated funds** | **16,721** | **-** | **(1,764)** | **-** | **4,685** | **19,642** |
| **General funds** | | | | | | |
| **Charity** | | | | | | |
| Free reserves | 47,442 | 107,257 | (106,332) | 193 | (4,685) | 43,875 |
| Pension reserve | (6,476) | 2,724 | (500) | (1,242) | - | (5,494) |
| **Total general funds for the Charity** | **40,966** | **109,981** | **(106,832)** | **(1,049)** | **(4,685)** | **38,381** |
| NSPCC Trading Company Limited | 30 | 4,029 | (4,029) | - | - | 30 |
| ChildLine | - | 641 | (641) | - | - | - |
| **Total general funds for the Group** | **40,996** | **114,651** | **(111,502)** | **(1,049)** | **(4,685)** | **38,411** |
| **Total funds for the Group** | **71,486** | **135,703** | **(138,803)** | **(1,043)** | **-** | **67,343** |

The incoming resources figure for free reserves for the charity excludes the gift aid donation of £1,936,000 from NSPCC Trading Company Limited and the grant of £641,000 from ChildLine.

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

| | Balance 1 April 2011 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Gains and Losses £'000 | Transfers £'000 | Balance 31 March 2012 £'000 |
|---|---|---|---|---|---|---|
| (i) Funds received from London Councils have been granted towards expenditure on the following projects: | | | | | | |
| ChildLine and CHIPS | 20 | 76 | (96) | - | - | - |
| **Total** | **20** | **76** | **(96)** | **-** | **-** | **-** |
| (ii) Funds received from DfE has been granted towards expenditure on the following projects: | | | | | | |
| ChildLine and NSPCC Helpline | - | 4,000 | (4,000) | - | - | - |
| Helplines Development - Capital | 1,798 | - | (1,237) | - | - | 561 |
| **Total** | **1,798** | **4,000** | **(5,237)** | **-** | **-** | **561** |
| (iii) Funds received from the DSSHPS of Northern Ireland have been granted towards expenditure on the following project: | | | | | | |
| ChildLine counselling staff costs | - | 63 | (63) | - | - | - |
| **Total** | **-** | **63** | **(63)** | **-** | **-** | **-** |
| (iv) Funds received from 'V' have been granted towards expenditure on the following project: | | | | | | |
| ChildLine | - | 15 | (15) | - | - | - |
| **Total** | **-** | **15** | **(15)** | **-** | **-** | **-** |
| (v) Funds received from the Welsh Assembly government have been granted towards expenditure on the following project: | | | | | | |
| Caring Dads Cymru Programme | 3 | 112 | (115) | - | - | - |
| **Total** | **3** | **112** | **(115)** | **-** | **-** | **-** |

# Notes to the consolidated accounts

### 22 Analysis of group net assets between funds

Fund balances at 31 March 2012 are represented by:

| | Unrestricted | | | | |
|---|---|---|---|---|---|
| | General £'000 | Designated £'000 | Restricted £'000 | Endowment £'000 | Total funds £'000 |
| Tangible fixed assets | 7,326 | 19,642 | 6,881 | - | 33,849 |
| Investments | 47,296 | - | - | 1,351 | 48,647 |
| Current assets and liabilities | (3,301) | - | 1,029 | 29 | (2,243) |
| Long term liabilities excluding pension reserve | (143) | - | - | - | (143) |
| Provisions | (7,273) | - | - | - | (7,273) |
| **Total funds excluding pension reserve** | **43,905** | **19,642** | **7,910** | **1,380** | **72,837** |
| Pension reserve | (5,494) | - | - | - | (5,494) |
| **Total net assets** | **38,411** | **19,642** | **7,910** | **1,380** | **67,343** |

Of the Restricted Funds represented by tangible fixed assets, £6,380,000 relates to freehold and leasehold property, and £501,000 relates to other tangible fixed assets. Included in the Restricted Funds represented by current assets and liabilities figure is £82,000 which relates to restricted donations to be spent on development software.

### 23 Legacies

The NSPCC has been notified of 1,037 legacies, which have not been included within the financial statements as no notification of impending distribution has been received (2011 1,061). Of these, 25 per cent are pecuniary legacies which have an average value of £3,483 (2011 22 per cent £3,035) and the remaining 75 per cent are residuary legacies, which have an average value of £38,853 (2011 £40,175). 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 13 pecuniary legacies (2011 11) and 150 residuary legacies (2011 153) 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 2011/12, including those who have chosen to remain anonymous.**

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The Cadogan Charity
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The Doughty Family Foundation
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**The NSPCC would like to say a special thank you to all our Tribute Fund supporters and all who made a donation in memory of somebody special in 2011/12. We are grateful to all of our supporters who generously left the NSPCC a gift in their will in 2011/12, including those listed below and those who have chosen to remain anonymous.**

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*This supporter has sadly passed away over the past year and the NSPCC would like to acknowledge his outstanding contribution and support for the society over many years

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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 Fiona Curteis
Mrs Anita Green OBE
Mrs Sally Grundy*
Mr Charles Hadfield
Mrs June Hawkins
Mrs Sue Hooper*
Mrs Carol Keohane
Mrs Joyce Kiddy
Mrs Pat Laurie
Mr Peter Laycock
Ms Alison Leonard
Lady Middleton
Mrs Margaret Mitchell
Mrs Anne Morris
Mr John L Norton
Mrs Ruthie Phillips
Mrs Mary Robins
Mrs Marion Stevens
Mrs Judy Stone
Mrs Janet Thethi
Mrs Belinda Toop
Mrs Lavinia Wallop MBE
Mrs Sally Wigram MBE
Dr Olwen Williams OBE
Mrs Jane Woodford

**National Development Board**

Mr Neil Berkett (Chair)
Mr Philippe Bonnefoy
Mrs Cynthia Carroll
Ms Angela Cha
Mr Gavin Dein
Mrs Anita Green OBE
Mr Alex Horne
Mr Tarek Khlat
Princess Dora Loewenstein
Mrs Ann Morrison
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 Mark Corbidge and Fiona Curteis who stood down as members of the National Development Board this year.

**National Volunteer Boards**

Central Task Force
ChildLine Board
Corporate Development Board
Rebuilding Childhoods Board
Right To Innocence Board
Sports Board

**Special Events Committees**

The APSCo Committee
The Carols by Candlelight Working Party
The ChildLine Ball Committee
The ChildLine North West Events Committee
The ChildLine Rocks Committee
The City Conker Cup Committee
The City Dinner Committee
The City Fine Wine Challenge Committee
The Leadenhall Ball Committee
The Pop Art Ball 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**

Aberdeen
Anglesey
Ashford
Barnet
Birmingham
Blackpool
Bournemouth and Poole
Bristol
Bro Conwy
Bromley
Burnley
Calderdale
Cardiff
Carmarthen
Chelmsford
Chelsea
Chester
Chesterfield
Chichester and South West Sussex
Cotswolds
County Antrim
County Armagh
County Down
County Fermanagh
County Londonderry
County Tyrone
Craven
Croydon
Derby
Doncaster
East Cheshire
East Cornwall
East Essex
East Kent and Canterbury
East Norfolk
East Nottinghamshire
East Suffolk
East Sussex
Eastbourne
Enfield
Exeter and East Devon
Flintshire and Denbighshire
West Gloucestershire
Gosport and Fareham
Greater Gwent
Grimsby
Guildford
Hampshire North
Harrogate
Harrow
Hartlepool
Hastings
Herefordshire
Hounslow
Huddersfield
Hull
Hyndburn and Rossendale
Islington
Jersey
Kensington
Kesteven
Kettering
Lancaster
Leeds and Wakefield
Leicester District
Liverpool
Manchester
Mid and South Staffordshire
Mid and West Berkshire
Mid and West Hertfordshire
Mid Cheshire
Mid Kent
Newcastle
North and East Hertfordshire
North Bedfordshire
North Buckinghamshire
North Cheshire
North Cumbria
North East Wales
North East Yorkshire
North Northumberland
North Nottinghamshire
North Staffordshire
North Suffolk
North Sussex
North Warwickshire and West Leicestershire
North Yorkshire
Northampton
Nottingham and District
Oldham
Oxfordshire
Plymouth
Portsmouth
Preston
Rochdale
Rotherham
Salisbury and South Wiltshire
Shropshire
South and East Surrey

*These supporters have sadly passed away over the past year and the NSPCC would like to acknowledge their outstanding contribution and support for the society over many years

# Supporters

South and Mid Buckinghamshire
South and Mid Sussex
South Bedfordshire
South Cambridgeshire
South Cheshire
South Cumbria
South Devon
South Warwickshire
Southend
Southport
St. Helens
Swansea
Swindon and North Wiltshire
Thanet and Dover
Walsall
Warrington
Welsh Borders
West Cornwall
West Cumbria
West Hampshire
West Kent
West Norfolk
West Somerset
Westmoreland
Wigan
Wolverhampton
Worcestershire
York

**Business Boards**

Birmingham Business Board
Bristol Business Board
Colchester Community Business Group
Coventry Business Group
Lancashire Business Board
Liverpool Business Board
Manchester Business Board
Peterborough Business Support Group
Swindon Business Cares for Children (SBCC)

**Appeals Boards**

Building Brighter Futures Appeals Board
Changing Childhoods Board

**NSPCC Ambassadors**

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

**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 address**
Weston House
42 Curtain Road
London EC2A 3NH
Tel: 0207 825 2500

**Regional offices/service centres**

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

**Northern Ireland**
The Lanyon Building
Jennymount Business Park
North Derby Street
Belfast, BT15 3NH
Tel: 02890 351135

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

**North East and Cumbria**
Wallington House
Starbeck Avenue
Newcastle upon Tyne NE2 1RH
Tel: 0191 277 5300

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

**Yorkshire and the Humber**
Suite 1-3, 5th Floor
St John's Offices
Albion Street
Leeds LS2 8BT
Tel: 0113 218 2700

**East Midlands**
Unit 212A The Prince of Wales Court
Church Street
Basford
Nottingham NG6 0GB
Tel: 08703 362917

**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**
Pear Tree House
68 West Road
Gillingham ME7 1EF
Tel: 01634 308200

**South West**
1 Brunswick Road
Plymouth PL4 0NP
Tel: 08448 932 0288

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).

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www.nspcc.org.uk/annualreview