NSPCC

# Changing childhoods together

Annual Report and Accounts 2013/14

EVERY CHILDHOOD IS WORTH FIGHTING FOR

# Every childhood is worth fighting for.

This statement inspires everything we do. It drives us to work harder, think smarter and achieve more for every child across the UK. It's not an easy fight, but we've already won many battles, and we're not fighting alone.

We're helping children and families every day – listening to them, supporting them through the hardest times of their lives, and standing up for their rights.

This Annual Report looks at what we've done in the past year – our successes, the challenges we faced, and our plans for the future.

TAKE A LOOK INSIDE...

# Hello from our chairman and CEO

Welcome from Mark Wood

## Reflecting on the last year, I am inspired by the amount that we have achieved for children.

Hundreds of thousands of parents have spoken to their children about staying safe from sexual abuse because of our Underwear Rule campaign; the ChildLine Schools Service has reached more than 278,000 children, teaching them what abuse is and where they can go for help; we've worked directly with nearly 11,700 children; our helpline service for adults worried about children responded to more than 61,000 contacts; and our reputation as the leading child protection charity was evident when the Prime Minister chose to announce a range of new policies to make children safer online at our headquarters in July.

These are just a few of our achievements this year, achievements which are only possible through the passion and dedication of the staff, volunteers and supporters that make up our NSPCC family. Their talent and commitment enables us to offer the help we do to children. Some of these people are featured throughout this report, speaking about how they help change children's lives for the better and what inspires them to do it. I would like to take this opportunity to thank each of them, along with everyone else who contributes to our work and makes the NSPCC the unique organisation it is.

I would particularly like to express my gratitude to our Royal Patron, Her Majesty Queen Elizabeth II for her continued support; our President, HRH The Countess of Wessex for her tireless work and commitment to our cause; and my fellow trustees, non-executive committee members and branch officers all of who give their time entirely for free because they believe that every childhood is worth fighting for.

While we can be proud of what we have accomplished in the last year, there is no doubt that we have a long way to go before we achieve our vision. A vision where we are fighting for every childhood in our mission to end cruelty to children. I look forward to working with the NSPCC family in the year ahead to bring us closer to this goal.

Mark Wood

**Mark Wood**
Chairman of the Trustees

## Welcome from Peter Wanless

**In my first year at the NSPCC I have been incredibly excited by the passion and determination NSPCC supporters, volunteers and staff have shown in their efforts to protect children from abuse and neglect.**

However, as was made clear by our authoritative annual report *How safe are our children? 2014*, much more remains to be done. There are positives to reflect upon, including signs that people are more willing to speak out about a child at risk than ever before. But as people increasingly recognise and report abuse, the child protection system and related services are under major financial pressures. We can't expect social workers alone to keep children safe. Instead everyone who comes into contact with children must look out for those at risk and take action to prevent or protect them from abuse far earlier than is typically the case today.

We must do this because behind the data in our report lie the stories of the children who have been let down. Children such as Daniel Pelka, Hamza Khan, Keanu Williams and Callum Wilson. Names and faces that will stay with us for a long time. Children who people didn't see or listen to until it was too late. We need everyone to work together to stop more children being added to this list.

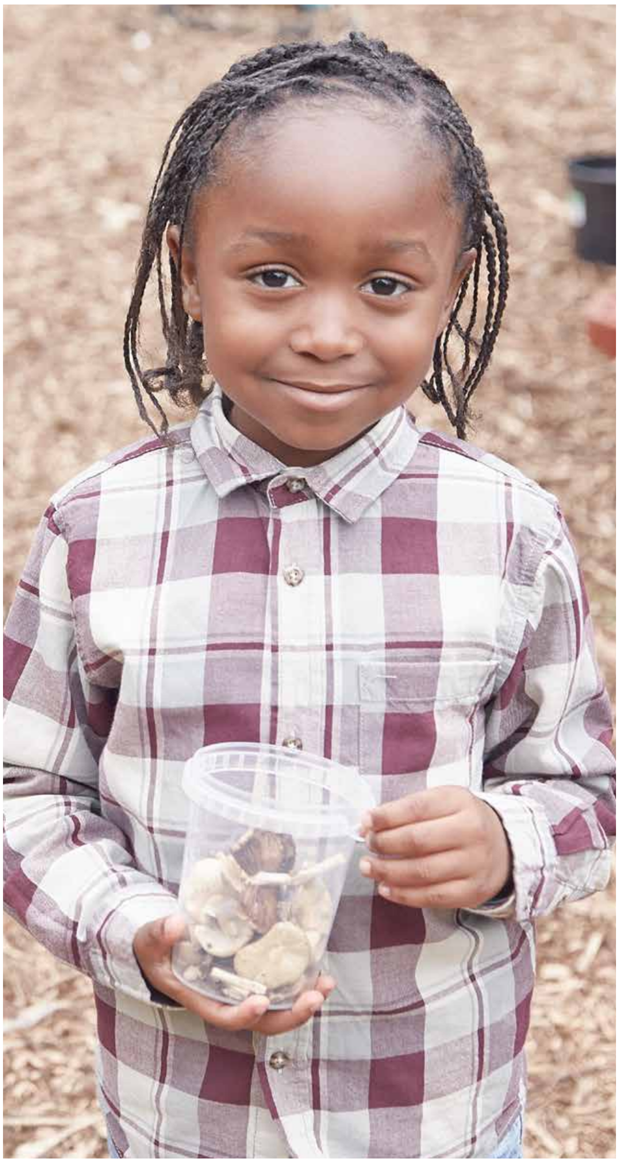
At the NSPCC we are determined to play our part. Working with local partners, our services are helping families under pressure and building a strong evidence base for what works in preventing abuse and neglect. Our helpline offers adults a non-judgmental service to talk through their concerns about a child before it is too late. ChildLine provides a safe, confidential place for children with no one else to turn to. And we're developing new ways to keep children safe – for example this year we've launched Zipit, an app that helps young people resist the pressure many tell us they feel to share explicit images.

Abuse can be prevented and children protected. This is the thought that has inspired me this year, and will continue to do so in the year ahead. I know from speaking to many committed supporters that is what motivates you too. The NSPCC represents hundreds of thousands of you who care enough about children to offer us your time, money and determination to improve children's lives. Our work is showing every day that we can do this. And it is your help that makes it possible. Thank you.

**Peter Wanless**
Chief Executive

# Our approach

**Abuse ruins childhoods, but we know it can be prevented. That's why we're here, that's what drives all our work, and that's why – as long as there's abuse – we will fight for every childhood.**



Over the last 130 years our services have protected millions of children, while our lobbying and campaigning have prevented countless more from being abused and neglected.

Today, every child has somewhere to turn to – ChildLine. We're also reaching out through our ChildLine Schools Service – talking to children about what abuse is, and letting them know that it is wrong, that it is not their fault, and that they can speak out if it happens.

In the last year alone our work has led to hundreds of thousands of parents speaking with their children about staying safe from sexual abuse. Progress has been made to improve how child witnesses are treated when giving evidence in court. We've also seen improvements for children in care.

Despite these achievements there is still much more to be done if we are to realise our goal of ending cruelty to children in the UK. Our annual *How safe are our children?* report, which compiles and analyses the most robust and up-to-date child protection data from the four nations in the UK, informs our work and shows us the scale of abuse and neglect. This year's report has reinforced the need to take action to help children as quickly as possible and emphasises the crucial message that child protection is everyone's responsibility.

One of the ways that we play our part in this child protection system is by developing and testing new services that will protect children. We evaluate these services, find evidence of what works well, and share our findings with others. This means our support can reach further than just the children we work with face to face. We focus our services and research on where children are most at risk of harm, including sexual abuse, children in care, and families under pressure.

This year we continue striving to deliver more for children with less money. We receive the overwhelming majority of our funding – more than 90 per cent – from public donations and are careful to make the most of every penny. For every pound we receive, 78 pence goes towards our work with children and young people. And we make sure to keep our support costs, which are currently less than 5 per cent, as low as possible.

> I definitely feel more confident about knowing where to start the conversation about staying safe from abuse.
>
> Lynne, mum to nine and ten year old sons

Fighting for every childhood is an ambitious aim, not without risks. Intense demands are being placed on the 24/7 services we offer children and the public. The leap in contact numbers and the desire for speedier responses, increasingly online or via instant messaging, put real pressures on our staff, volunteers and systems. We are working hard to make sure we can maintain strong, consistent standards of safeguarding for children and adults under these circumstances.

Our deliberate approach of targeting services at the cutting edge of support for those at greatest risk also puts significant pressure on our practitioners, so we have a programme of work in hand to test for strong and sustained quality in all that we do.

This year we've reflected on the values that define the NSPCC and set the standard for all of our work. They are:

- putting children first
- making an impact
- taking a stand
- working together
- never settling for second best.

These values are reflected in everything we do. Throughout these pages we will show you some of the ways in which they are brought to life.

# Putting children first

**Everything we do is for children. We can only end child cruelty in the UK by listening to children, looking at the world from their perspective, and putting them first.**

Even when families are going through incredibly difficult times – like battling addictions or overcoming mental health problems – with the right help, children can thrive. Our commitment to making sure they get this help is why we continue to prioritise the direct services we offer across the UK.

We worked with 11,697 children and families in the last year, exceeding our target of 11,500. We did this without recruiting the additional practitioners we initially intended to last year – making sure we could deliver for children while keeping costs as low as possible.

Our services are all focused on the children most at risk, or the types of abuse that pose the greatest threat. Our work is targeted where we can make the biggest difference and includes services for children in care, babies, and those who have been victims of sexual abuse, neglect or violence.

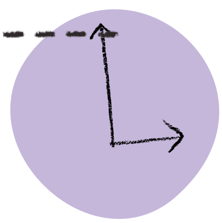
As well as the children we are helping directly, we are committed to sharing our learning from services so that we can benefit many more children than we see face to face. This year we have made steps with a number of our services to transfer learning and look at how we can scale up the services we've developed.

> The people from the NSPCC were just so open and non-judgmental. And they sort of helped you to decide what was best for your baby.

Parent who attended Baby Steps

This year ChildLine carried out almost 300,000 in-depth direct counselling sessions with children and young people.

With more children than ever contacting us online for an in-depth counselling session, volunteers are spending an increasing amount of time giving them the support they need.



This year 17,819 children and young people took part in 1,192 activities to help influence decisions both within the NSPCC and externally.

## Always there to help

We make sure that ChildLine is always there for children and young people, whatever their worry, whenever they need help. This year ChildLine carried out almost 300,000 in-depth counselling sessions with children and young people, some of who were going through the toughest times of their lives. Nearly 1,400 dedicated trained volunteers were there to support them.

With more children than ever contacting us online for an in-depth counselling session, volunteers are spending an increasing amount of time giving them the support they need.

We've seen a rise over the last year in young people talking about mental health issues, self-harm and suicide. As a result we will be focusing more resources on supporting young people experiencing these issues. We have begun working in partnership with other organisations to raise the voices of these young people, increase awareness, influence service provision, and improve direct support.

## The child's voice at the heart of our work

Through ChildLine we understand the problems faced by young people and make sure that tackling them is at the heart of everything we do. It's one of the things that makes us unique as a children's charity.

And this isn't the only way we make sure we are listening to young people. We involve them in all aspects of our work.

This year 17,819 children and young people took part in 1,192 activities to help influence decisions both within the NSPCC and externally – a 94 per cent increase in activities from last year. A few of these contributions included:

- speaking at the NSPCC's flagship *How safe are our children?* conference
- consulting with the Home Office on their *This is abuse* campaign, which partnered with soap opera *Hollyoaks*, to educate young people on what abuse looks like
- creating artwork for a thank you book to all supporters
- inspiring our donors at fundraising events.

This year we've also shown the importance of listening to children and young people when developing services. Face to Face is a service that offers quick access to confidential counselling to children in care. It focuses on issues identified by young people such as Lucy*, rather than by professionals. Early evaluation findings show that the service had a significant positive impact on children's emotional wellbeing.

16-year-old Lucy was referred to the Face to Face service by her social worker. The service has helped her build her relationship with her foster mum, take steps to stop self-harming and feel more in control of her life.

"As far as I'm concerned the NSPCC's Face to Face is an amazing service. I first used it to help build my confidence and, through the work I did with the team, I felt able to go back a second time and address some of the problems I'd never been able to talk about before.

That's the great thing about Face to Face – you decide what you need from it. The nature of the service makes you feel more in control and more independent."

* Name and identifying features have been changed to protect identity.

**This is my fifth year as a ChildLine counsellor. I volunteer at the Birmingham base – the team here are brilliant, there's a great camaraderie and we really support each other.**

I volunteer because I think it's so important that children and young people know there's always someone – at the end of the phone or online – who is there for them, whatever their problem.

I've taken calls about a lot of different things – to give just a few examples: exam stress, relationships and bullying. I volunteered over Christmas last year and at that time there were a number of children who called because they were missing someone close to them who had died. It's very sad but you do what you can to be there for them and comfort them.

Often young people might call five, six times – testing you before they are confident enough to talk about what their problem is. When this happens it's up to you as a counsellor to make sure that they know you're there to listen to them and you won't judge.

It's great when the children and young people you've been speaking to say how much they appreciate you listening to them and that it's helped them. Hearing that I've made a difference to them gives me a really good uplift.

**Graham Nicholson, volunteer ChildLine counsellor**

## Amazing volunteers

Once again our amazing volunteers and donors have put children first through giving their time, energy and donations, allowing us to help more children. Without the time of our ChildLine and ChildLine Schools Service volunteers we couldn't run these services. And without the generosity of our committed fundraising volunteers and donors we wouldn't be able to carry out our work to protect children and prevent abuse.

As always our volunteers have gone above and beyond to raise money so that we can help children. More than 3,000 people gave us their time and energy through taking part in events and challenges including marathons, hikes, treks, swims, cycles and skydives. This included our inspirational NSPCC trustee David Tait who climbed Mount Everest for an incredible fifth time to raise money for us. We're also grateful to our celebrity supporters who have helped us this year, with just a few highlights including:

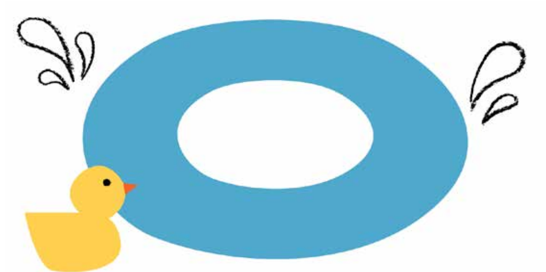
- the ChildLine Ball hosted by the cast of *Downton Abbey* raising more than £700,000
- our *Now I Know* campaign supported by Peter Andre which this year raised more than £4 million for the ChildLine Schools Service
- *Monty Python* star John Cleese holding a comedy roast raising £18,938.

Their support, along with that of other generous celebrities, has been invaluable in helping us raise funds and awareness.

We were delighted by the response we received to our *Cry for Help* Christmas campaign, which featured Slade's *Merry Christmas Everybody*, kindly donated by Noddy Holder. Through this we raised more than £1 million to help make sure that ChildLine could be there to answer calls from children in need of support.

We also appreciated the support we've had from schools this year – in total we've received more than £2.5 million. A particular highlight was Number Day, more than 600 schools took part and raised more than £145,000. The event, fronted by Ant & Dec and supported by Vosene Kids and Oxford University Press, involved children raising money by taking part in fun maths activities.

Thank you to all our supporters for their commitment to putting children first.



Over 3,000 people took part in challenges including marathons, hikes, treks, swims, cycles and skydives.

**Being in the NSPCC's participation group has provided me with a unique opportunity to have my say and represent young peoples' views.**

My involvement in the Home Office's This is Abuse campaign this year was great because we got to explain in depth the effect that rape and sexual assault has on young people. As a result, we not only influenced the campaign but our views on this were broadcast on BBC Radio 4.

I also spoke with MPs at the party conferences. We asked them to provide more information to parents about action to take on cyber bullying and sexual exploitation online. This was a great opportunity for me as it's not something I thought I would ever be involved in. Engaging with influential people such as the Children's Minister had a very profound effect on me.

I think that children and young people are consulted about decisions that affect them too rarely – through work with the participation unit the NSPCC gives us an important platform to have our voices heard.

Alicia Williams, NSPCC young ambassador

# Making an impact

**The fight for every childhood is well underway – we're already making a difference to children's lives across the UK.**

## A generation of children protected from abuse

Many children who are abused and neglected stay silent, not knowing that what is happening to them is wrong. We're working tirelessly to change this; to teach all children across the UK what abuse is and where they can turn for help. Two ways we are doing this is through our ChildLine Schools Service and our Underwear Rule campaign.

The ChildLine Schools Service uses trained volunteers to talk to primary school children about abuse and how to protect themselves from it. This year the service has reached every region of the UK, visiting 4,205 schools and reaching 278,700 children. We achieved this through our growing population of nearly 1,000 committed volunteers and 55 area co-ordinators working locally in communities. We exceeded the target we set ourselves this year and since the service's launch have reached more than 469,000 children in nearly 7,000 schools. This puts us on track to reach every primary school child in the UK by 2016.

This year we also launched the Underwear Rule campaign, to encourage parents and carers to speak to their young children about staying safe from sexual abuse. We created child-friendly guidance to help them do this in an easy way, without needing to mention the words sex or abuse. Launched in July 2013, the campaign included radio, digital and TV advertising and a partnership with NetMums.

The campaign led to 400,000 parents speaking to their children about staying safe from sexual abuse and 3.5 million watching the advert online. It has also led to a sex offender being jailed for eight years after Hannah* a three-year-old girl who was taught the Underwear Rule told her mum Rachel* that she had been abused.

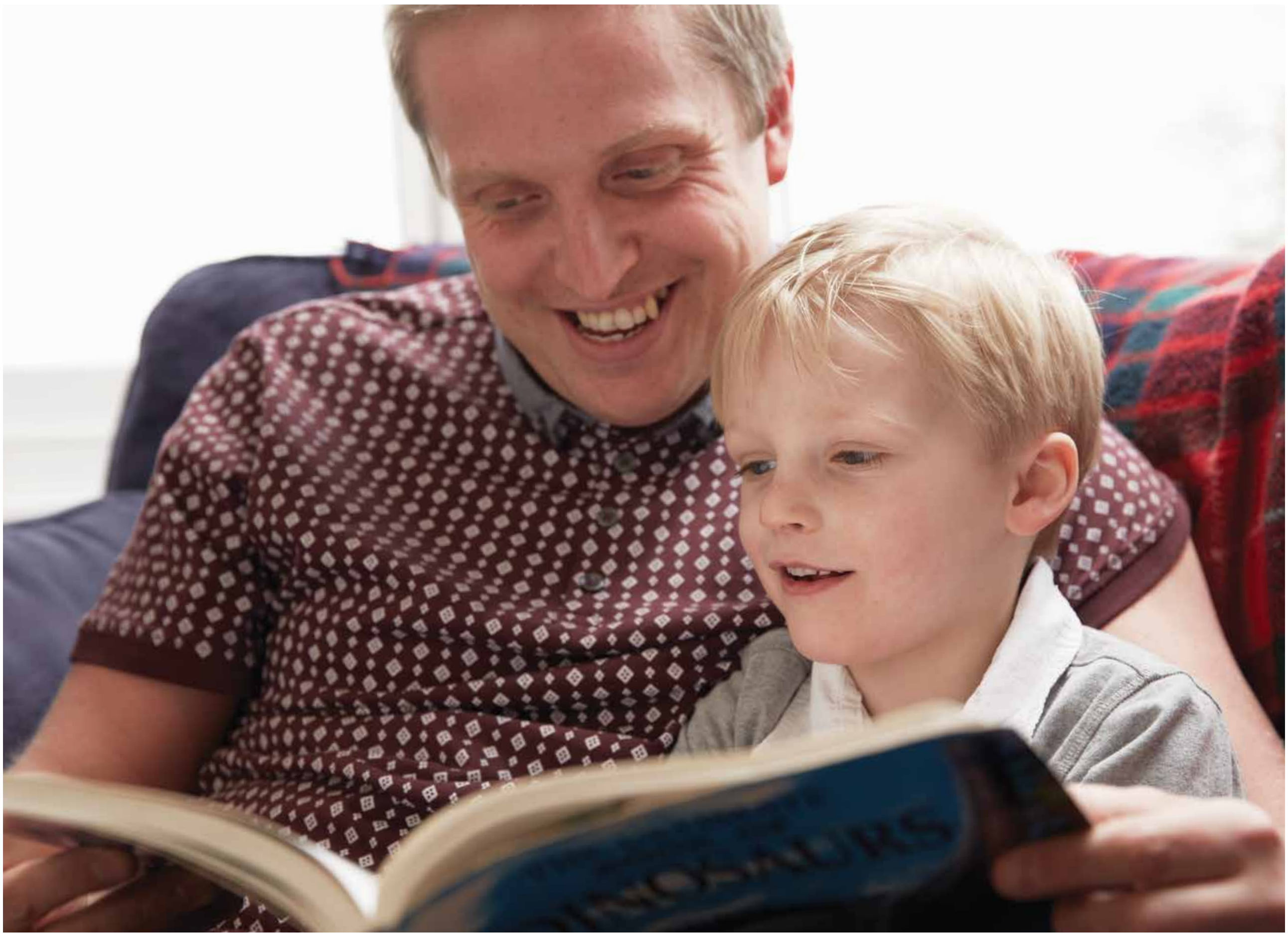
Rachel told us: "You don't think that sexual abuse will ever affect your family but it could do so you need to talk to your children about it to protect them.

"If I hadn't have heard about the Underwear Rule I don't think I would have had that conversation with Hannah and the abuse could have progressed and then things could have got a lot worse."

* Names and identifying features have been changed to protect identities.

> It was really helpful and showed us that there are people who really care about how children are treated.

Child who was visited by the ChildLine Schools Service



## Keeping child protection on everyone's mind

Through our press and social media work we've continued to work hard to keep child protection issues at the forefront of the public's mind and the NSPCC as the go to source for issues around child abuse and neglect. We've seen the positive impact that media coverage can have for children with the reporting of high profile child abuse cases – such as Operation Yewtree or the conviction of Stuart Hall – leading to increased contacts to our helpline, protecting more children. Increased media profile also leads to people knowing that the NSPCC is somewhere they can contact to help keep children safe.

In 2013 we saw a huge leap in our profile. Taken together, coverage for the NSPCC and ChildLine has increased by 50 per cent. We're seen by the media as the charity to contact for comment on child protection stories, with 62 per cent of journalists saying that we are top of their mind on this issue.

Our social media presence has also increased giving more people a convenient way to keep up-to-date with our news, connect with us and show their support for our work – we have nearly 110,600 followers on Twitter and more than 245,000 people like our page on Facebook. Our CEO Peter Wanless leads from the front, regularly using Twitter to champion our campaigns and engage directly with supporters and stakeholders.

## Training, consultancy and resources

We know that everyone who comes into contact with children plays an important part in keeping them safe. We provide a large number of individuals and organisations with the training and resources to help them protect children more effectively. This year we've reached a total of 13,147 organisations, 22 per cent more than last year.

We've provided training to 815 people from 559 organisations across the UK through our regularly scheduled courses. We've also delivered bespoke training to nearly 7,000 people from 283 different organisations. One area in which we've seen a particular growth in demand for our training and consultancy services has been in the music and arts sector. This follows on from the conviction of a choirmaster at one of the UK's prestigious music schools. We've provided advice and reviewed safeguarding policies and practices at a number of these schools to help them to keep the children in their care safer.

Our e-learning programme *Keeping children safe online* launched in partnership with the National Crime Agency has proved a popular way of learning with nearly 3,000 people purchasing the course since its launch in September. 99 per cent of those who completed and evaluated it told us that they would recommend it. We are developing further e-learning courses.

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## Wide-reaching ways to prevent abuse

Our services continue to make an impact on the lives of children we work with. In addition to the children we've worked with directly this year we've reached 9,760 new parents through our Non Accidental Head Injuries service (NAHI). Delivered in hospitals, our programme builds on successful work in America that involves showing a film to new parents shortly after a birth to help prepare them for the stresses of dealing with a crying baby. Research shows that this can have a positive impact on their ability to cope. The results have been impressive with 82 per cent of parents telling us they used advice from the film when caring for their baby. The rate of reported injuries among babies with feeding, sleeping or crying difficulties was lower if parents had seen the film. With clear evidence that this programme works we are extending its reach to keep more babies safe. In July 2013 we started working with 19 new areas, and will reach an estimated 50,000 parents, testing how the film can be shown at different times in communities, such as in antenatal education classes or postnatal home visits.

## Thank you for funding our work

The funding we receive from donors makes a huge impact on children's lives – without this we would not be able to carry out any of our work. This year we've received substantial donations from a number of trusts and individual donors, including the Ellerdale Trust for our work with children in care, Big Lottery Scotland which gave £375,000 to support a new service in Glasgow, and the Thompson Trust which donated £100,000 to support our work.

We're also grateful to those who make an impact for children by leaving us a legacy in their will. In total this year we received £20.9 million from legacies and tributes. We focused on the importance of legacies with our entry *What will we leave? The garden of magical childhood* at the RHS Chelsea Flower Show, which won a prestigious Silver Gilt award. The garden reflected on the potential of childhood and the legacy we want to leave for our children.

**I've been at the NSPCC for 13 years and during this time have worked on a lot of services that have a really positive impact for children.**

One of those is the Non-Accidental Head Injury service (NAHI), which I helped to establish in Belfast. The service aims to help prevent non-accidental head injuries by showing parents a film in hospitals shortly after their baby is born. The film is hard hitting and brings home the impact that non-accidental head injuries can have.

Professionally, I think the messages in the film are so important – and they are also something I can relate to personally as a father. It is really stressful for parents when a baby keeps crying. I think that this film acknowledges that and gives advice on how to cope, while at the same time making it clear the severe consequences that something like shaking your baby – even just for a moment – can have, its very powerful.

We work with the Royal Victoria Hospital in Belfast on NAHI. My role involved building links with the hospital initially and also training midwives to deliver the service to parents. It's been a great experience working with them – the staff have been so supportive of the service.

If NAHI leads to just one baby being protected that will be worthwhile, but we know it has the potential to help so many. It's something I was really excited and proud to be involved in.

**Paul Smyth, children's services practitioner**

# Taking a stand

**We speak up for children. So if a law needs to change, or those in power need to do more to protect children, we demand it. The fact we're independent – relying on the public to fund our work – means we can push for change when others can't.**

Throughout this year we've continued to take a stand for children by campaigning and lobbying for them on important issues and making sure their voices are heard.

## Taking a stand for young witnesses

Many children who have been abused tell us how giving evidence in court can be almost as horrific as the abuse itself. So we've been campaigning hard for a better system for child witnesses. We had a significant breakthrough this year when Justice Secretary Chris Grayling announced plans to pilot pre-recorded evidence and cross-examination for young or vulnerable witnesses ahead of trials – an important step towards making courts more child-friendly. But there is still a long way to go and this is an issue we will continue to campaign on.

We come from a strong position of authority to do this. We are established as a key voice and source of information on issues relating to the treatment and experience of young witnesses. Our Young Witness service continues in Northern Ireland helping 700 – 800 young people each year.

We will also speak out for children when the legal system gets it wrong in individual cases. This year when an offender was given a lighter sentence because the judge described his 13-year-old victim as 'predatory' we successfully requested a review of the offender's sentence. Under his initial sentence – 12 months suspended for two years – he could have avoided prison altogether. Following review he was sentenced to serve two years in prison immediately. A child can never consent to being abused and must never be blamed for it. We make sure that we remind those who would forget.

> The support we received from the Young Witness service was invaluable. We had no knowledge of the legal system, so their help was vital.

A parent of a young witness who was helped by the service

## Taking a stand on online abuse

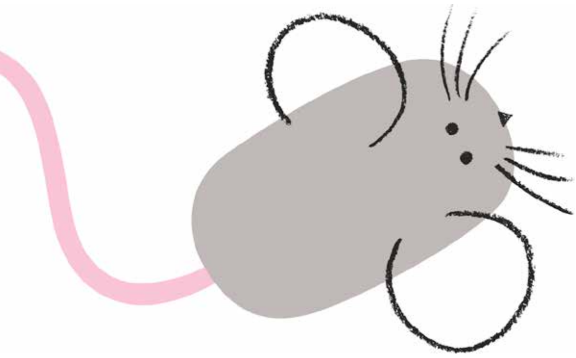
The internet has brought considerable benefits to children and young people. However, it has also brought dangers. Over the last year we've put pressure on the government and the online industry to take action to make the internet safer for children.

In July Prime Minister David Cameron visited our headquarters to deliver a major speech on a new online safety policy. The policy he announced marks a major step in tackling child abuse images and children's access to online pornography. After David Cameron's announcement we continued to engage with industry and politicians on this issue. Further commitments have been made by Google and Microsoft on new measures making it harder to find child abuse images online. As many as 100,000 search terms now yield no results and display warnings to those searching that child abuse imagery is illegal.

We've been encouraging and supporting the police directly to stop those who generate, trade in or access child abuse images online, so they can be brought to justice. We've seconded five NSPCC social workers to the National Crime Agency and will continue to demand sufficient resource and priority is given to tackling these crimes.

We've also successfully lobbied the DfE to include e-safety in the national curriculum for primary as well as secondary school pupils, and influenced the content of these courses.

As many as 100,000 search terms for child abuse images now yield no results and display warnings to those searching that the imagery is illegal.



## Putting children at the heart of the legislative process

We've achieved significant results for children through our work with MPs and peers throughout the passage of the Children and Families Act 2014; making sure their interests will be at the heart of decisions about parental involvement post separation. Our work also led to a commitment from the government to explore what more needs to be done to support children returning home from care.

In Wales our lobbying work has led to the Welsh Government identifying child neglect as one of its priorities. We have had significant input into the Welsh Social Services and Wellbeing Bill with the definition of neglect we drafted being included. As a result of our lobbying, the bill, due to come into force in 2016, has also resulted in changed provision for looked after children and includes a duty on partners to report a child they suspect to be at risk to the local authority.

In Scotland we've worked closely with the parliament, including giving evidence on issues such as decision-making for looked after children in Scotland, teenage pregnancy and female genital mutilation. We've also provided written input into several inquiries and consultations, including the Children and Young People (Scotland) Bill and the Violence against Women and Girls Strategy.

In Northern Ireland our parliamentary work has led to improved safeguarding of children and young people in leisure and arts settings. A number of the recommendations we made when giving evidence to the Northern Ireland Assembly's Committee for Culture, Arts and Leisure Inquiry into gaps in child protection and safeguarding, were incorporated in its report. Our work with junior ministers in the Office of the First Minister and Deputy First Minister (OFMDFM) on internet safety issues in Northern Ireland has helped to secure the development of a regional e-safety forum.

## Better care for new mothers and babies

Our *Prevention in mind* spotlight report highlighted the need for appropriate help to be provided to families affected by perinatal mental illness. It revealed that a 'postcode lottery' currently determines whether mothers get the right help. Many do not, which has a devastating impact on them, their children and their families. As a result of the report and subsequent influencing work, health minister Dan Poulter announced that there will be sufficient training to allow for a specialist mental health midwife in every birthing centre in England from 2017.

We've also worked with a cross-party group of MPs led by Andrea Leadsom MP to produce the 1001 Critical Days manifesto which advocates the importance of evidence-based early intervention during pregnancy and infancy. We spoke at each of the party conferences where the manifesto was launched and were encouraged by the response and cross-party commitment to its goals.

**I've worked here for six years and love my job because it means I can help a group of children who are often invisible.**

We do this in a number of ways including delivering training and providing advice to professionals so they know how to recognise and help trafficked children.

We also advocate for individual children and young people trafficked into the UK. When I'm working on a case where there are trafficking concerns other professionals involved often rightly put child protection above all else. However this doesn't always happen and then we need to challenge their thinking. For example, I've worked on cases where instead of seeing an exploited child needing protection, people just see their immigration status, or that they've committed a crime. My job is to stand up for them making sure they are first and foremost treated as a child who deserves – and is legally entitled to – the same protection they would get if they were a UK citizen.

I'm passionate about my job because I know I make a difference for these children.

Swati Pande, social worker, NSPCC's Child Trafficking Advice Centre

# Working together

## The more people we work with, the more we can help children. That's why every day we work with volunteers, supporters, members of the public, and people who work with children. People who, like us, believe in the value of every childhood.

### Sharing our learning to benefit more children

Our strategy is founded on sharing what we learn through our services with others. This means we can help many more children than those we work with directly.

We're extending the impact of our services by working with others through knowledge transfer and scale up partnerships. For example, now that we've seen the success of our Baby Steps programme which helps vulnerable new parents cope with the pressures of having a baby, we're working to implement it into mainstream services. In Warwickshire we have trained health visitors and children's centre practitioners to deliver the service – we are working with other areas to do the same.

We're also working with the London Probation Trust to train other agencies to deliver our successful Caring Dads: Safer Children programme which works with fathers who are violent towards their partners to help stop their abuse.

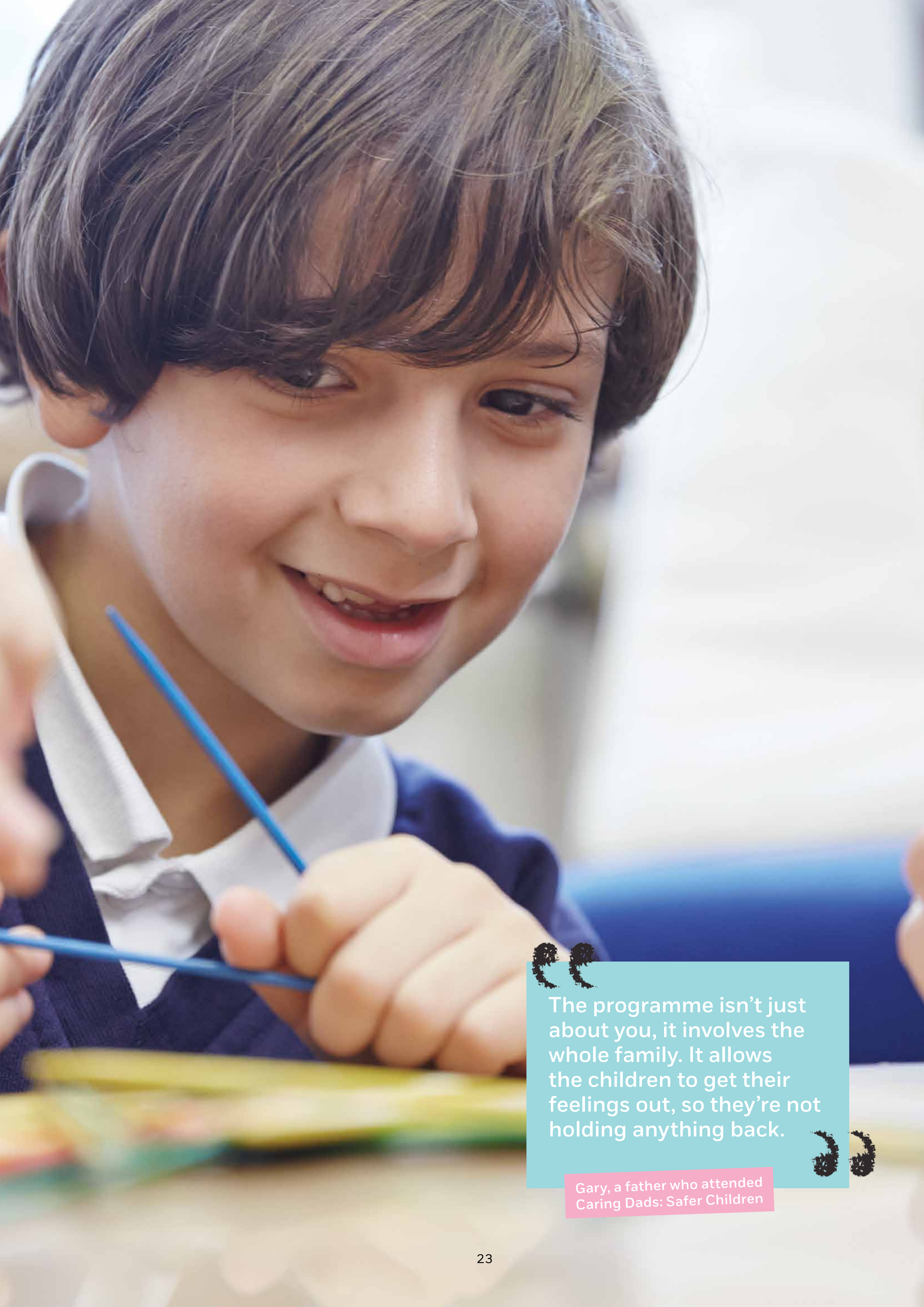
Gary*, a father of three from County Antrim, was referred to the NSPCC's Caring Dads: Safer Children programme as a result of his domestically abusive behaviour. Gary, who prior to attending the course moved out of the family home because of his behaviour, describes the impact the 17-week group work programme has had:

"The children love it now. I'm back at home and they know there'll be no arguments or damage to the house. I've had problems for years and have been getting help from different places but nothing was changing. This really worked for me. There's no one lecturing – it's about talking to other people and working it out for yourself.

I had to change for my partner and for my children's sake. They needed to know that how I reacted wasn't right. I'd say to anyone that getting help and understanding how you can change is the only way to make their lives – and yours – better."

* Name and identifying features have been changed to protect identity.





> The programme isn't just about you, it involves the whole family. It allows the children to get their feelings out, so they're not holding anything back.

Gary, a father who attended Caring Dads: Safer Children

## Working together with the public and professionals to protect children

This year, advisers on our national helpline have responded to more than 61,000 contacts from people worried about a child. A 21 per cent increase on last year.

We've seen a dramatic increase in the contacts where concerns were so serious that we needed to refer them to police or statutory services – 38 per cent more than 2012/13. Our helpline plays a central role in identifying children at risk by giving adults a place they can contact to share their concerns 24/7, anonymously if they wish, by phone, text, or online. Our advisers are frequently able to gather and share crucial information about a child with statutory services and the police, enabling as full a picture as possible to be painted of that child's life. At the same time our advisers, who come from a range of professional backgrounds including social work, education, and health, help prevent abuse or neglect happening in the first place by providing support to parents under pressure and others caring for children.

Overall more than 100,000 children have benefited from the service this year.

We've worked closely with statutory agencies and other charities, setting up dedicated helplines to provide 24/7 support on specific, often complex, investigations into child abuse. These include:

- Operation Globe, relating to Ian Watkins, the former Lost Prophets singer convicted of the attempted rape of a baby and ten other child sex offences
- Operation Bocal, a specialist helpline set up in partnership with the Child Exploitation and Online Protection Centre (CEOP) – now part of the National Crime Agency – to manage child abuse allegations with an online element
- Operation Owl, the police investigation in Northern Ireland on child sexual exploitation.

We're also working with others to tackle one of the most hidden forms of child abuse – female genital mutilation (FGM). Common to some African, Asian and Middle Eastern communities, FGM involves the partial or total removal of the external female genital organs. It is usually carried out on children aged between five and eight, but some can be as young as babies. Formed in partnerships with the Metropolitan police, professional bodies including the Royal College of Midwives and community groups Daughters of Eve and Equality Now, the FGM helpline has taken more than 200 contacts since its launch in June, with 44 per cent of these being referred to child protection agencies.

## Safeguarding children in sport and in the voluntary and community sectors

The Child Protection in Sport Unit (CPSU), our partnership with Sport England, Sport Northern Ireland and Sport Wales, has increased the number of organisations it can offer support to through its new website. The website features a free resource library with video clips, practice briefings, template forms, policy statements and downloadable toolkits to help organisations put the right safeguards in place to protect the hundreds of thousands of children participating in sport.

Safe Network, our partnership with Children England, which provides child safeguarding advice and information to the voluntary and community sector (VCS) has also had an incredibly successful year. 18,851 people are now registered to receive their e-newsletters and download resources from the website – a 55 per cent increase on the previous year, meaning that more people working with children in the VCS will have access to the information they need to protect them.

More than 100,000 children have benefited from our helpline this year.

## Working together to raise money for our work with children

Our dedicated volunteers across the country have given up their time to work closely with us to raise money so that we can help children. Ways in which they've done this include organising a huge number of diverse events ranging from coffee mornings, bridge evenings, open gardens, quiz nights, vintage fairs, carol concerts and balls. Particular highlights this year have included the Coventry Business Ball, North West ChildLine Ball, Castle Howard Fair, City Fine Wine Challenge and Beefy's Big Walk.

We've also worked closely with a number of companies who have raised money for our work with children and often also supported us in other ways. Some of the highlights have included:

- SPAR who have raised £557,000 for our work, as well as helping us to promote ChildLine
- BT who raised £380,000 and also provided support to help us develop our volunteer programme
- First Direct who raised £480,000 and provided us with call handling facilities to help with our Letter from Santa fundraising in 2014
- Matalan who have raised £680,000 for us
- Santander selecting us as their Charity of the Year for 2014.

We look forward to working closely with those who have supported us generously to date, as well as developing new relationships next year.

More ways in which we've worked with others:

- developing resources to help teachers support pupils in abusive relationships in partnership with the Association of Teachers and Lecturers
- carrying out research in partnership with Barnardo's Scotland on families' experiences of multiple adversities
- delivering the Welsh Neglect Project commissioned by the Welsh Government in partnership with Action for Children
- our Child Trafficking Advice Centre has worked with immigration officers in a number of West African countries to reduce the trafficking of children to the UK from Africa – this work was jointly funded by us, the Foreign Commonwealth Office and National Crime Agency.

**I've been volunteering for the NSPCC for more than 30 years, since setting up the Clywedog District along with some friends.**

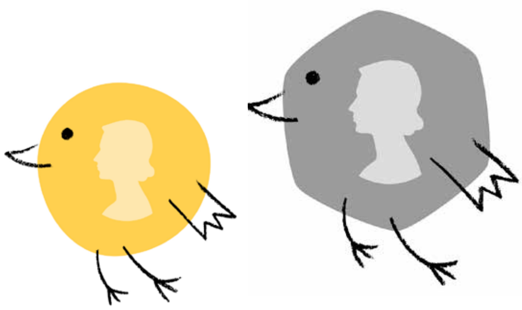
We started this when we were mums with young children and ran fundraising events like coffee mornings and supper parties. Over time I've become more and more involved and I'm now president of the north east Wales branch. I also sit on the NSPCC's Central Task Force and through this I share key issues for volunteers and hear about the latest campaigns to take back to local committees.

I really enjoy working with my fellow volunteers to arrange events. A personal highlight last year was the NSPCC Celebration Day in Wales, where I secured a brilliant venue that gave us the premises and all technical gizmos for free. We had excellent speakers and presentations – volunteers who attended from all over Wales were really positive about the day.

I'm proud to be a part of the NSPCC because of the amazing work it does to help children and families. I was lucky growing up as I had a good childhood with loving parents. I know many people aren't so fortunate and there are a lot of children and families that need support – the NSPCC is there to help them get it.

**Pauline Fitzhugh, president of the North East Wales Branch**

We've worked closely with a number of companies who have raised money for our work with children.



# Never settling for second best

**When it comes to children's welfare and safety, we cannot and never will settle for second best. Every child deserves a life free from abuse and neglect and we will fight for them to have this.**

### Understanding the nature of abuse

We need to know how many children are being abused and neglected and track our progress to make sure we are improving. This is why we have committed to producing an annual report: *How safe are our children?* This report compiles and analyses the most robust and up-to-date child protection data from across the UK to give a clear picture of just how safe children are. The report allows us not only to understand how many children are being abused and neglected, but also to track progress so that those in power can be held to account for their responsibility to children. Only by monitoring the extent of child abuse and neglect in the UK can we judge whether efforts to prevent maltreatment and to protect children are working.

Our research not only lets us know where we are when it comes to child protection, it also provides a focus for our work going forward.

> The NSPCC's *How safe are our children?* report reminds us of the necessity to make sure that social workers are supported to make careful decisions to help and protect children at risk of abuse.

Annie Hudson, chief executive of The College of Social Work

## Finding innovative ways to protect children

We're finding innovative new ways to protect children through all of our direct services with children and families. Services like the New Orleans Intervention Model (NIM) which centres on improving attachment between children under five who are in foster care and their birth family. NIM is currently being tested in Glasgow in partnership with Glasgow City Council and NHS Scotland and we are now looking to bring it to England. A seven-year follow up study of the programme in America showed that, following the intervention, mental health outcomes for children – both those that remained in care and those who went home – were virtually indistinguishable from the general population. There was also a reduction in harm to subsequent children in the birth family. Assuming our trials show the same positive outcomes and the approach is adopted across the UK this will lead to remarkable improvements in the lives of children in care.

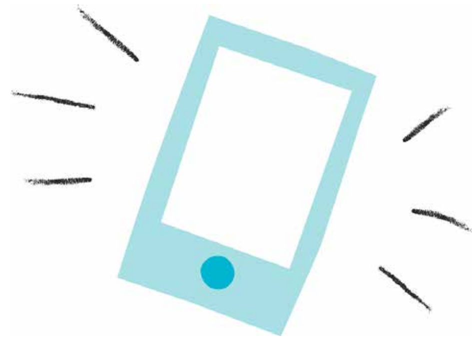
We are also innovating in response to new challenges that young people tell us they are facing such as sexting. This year ChildLine launched its first ever app – Zipit – which is designed to defuse the pressures on young people to send sexually explicit images of themselves, offering them witty images to send instead. Zipit's launch came as an NSPCC/ChildLine survey revealed that young people are frequently taking huge risks by making and sending sexual images of themselves. 60 per cent of respondents said they had been asked for a sexual image or video of themselves, and 40 per cent had created one. The app has had an overwhelmingly positive response, being downloaded 45,000 times since its launch in October and gaining a 4.5 star rating in the app store.

## Supporting and developing learning

We are also consistently developing new ways to make sure learnings are more accessible to those working in child protection. Serious case reviews (SCRs), which are carried out when a child dies or is seriously injured from abuse or neglect can be an important way to find out what can be done better. However, worryingly, they tend to raise the same issues repeatedly, indicating that lessons are not learned. We believe that part of the solution is to enable social workers to have easy access to SCRs, which are often not widely available and held in disparate locations. This is why we're collaborating with the Association of Independent Local Safeguarding Children Board Chairs to hold a publically available central repository of SCRs. As part of this collaboration we are consolidating learnings from SCRs by providing a series of briefings on issues that they commonly raise – such as parental substance misuse and domestic violence – which highlight key risk factors and make practice recommendations to help practitioners protect children.

We are also working in other ways to ensure SCRs are effective. This year we were commissioned alongside Action for Children and Sequeli by the Department for Education to improve the quality of serious case reviews by training new authors.

Our library, which has the largest collection of child protection resources in the UK, is continuing to make sure that this information is accessible to all who need it to better protect children. This year we responded to 1,500 enquires for child protection and safeguarding information, from people including frontline practitioners, researchers and policy makers. And CASPAR, our free weekly email to keep people up-to-date with the latest child protection news, now has over 16,000 subscribers.



Advisers on our helpline responded to more than 61,000 contacts.

## Celebrating our success

We are proud that our determination to never settle for second best has been recognised outside of the NSPCC. This recognition includes:

- award nominations for three of our services: Face to Face for a Children & Young People Now Award; Non-Accidental Head Injury service for a Scottish Social Services Council Care Accolade; and the New Orleans Intervention Model for a National Lottery Award
- the Underwear Rule campaign winning a Festival of Media Gold Award for public service campaign
- our helpline receiving the Helpline Standards accreditation – a nationally recognised quality standard that defines and certifies best practice in the sector
- a Sport England survey showed that the CPSU was given the highest satisfaction rating of all its partners by National Governing Bodies and County Sport Partnerships
- being highly commended at the Institute of Fundraising's Insight in Fundraising Awards 2013 in the Team of the Year category
- ChildLine winning two Lovie Awards for its films in 2013.

**Through the New Orleans Intervention Model (NIM) we're given an amazing opportunity to help children at an early age.**

In the first five years of their lives children are developing their understanding of what to expect from the world and adult relationships. If they experience consistency and security during that time this can lead to positive outcomes. However where they don't, there can be negative implications for their mental health and development.

I've worked on NIM since it launched in Glasgow in 2012. It is an intensive programme, which looks to make sure that all decisions made for children in foster care have their best interests at heart and are as robust as possible. This should mean that children will have the permanency they need, rather than yo-yoing from place to place as is too often the case with children in care.

It's so important that we look at new ways that can help children and make sure that we're doing the best we possibly can for them. I believe that through NIM we have a real opportunity to change the course of a child's life for the better at a critical time in their development – and that's what inspires me every day.

Rosie Simpson, children's services practitioner

# Looking ahead

**We won't stop until every child lives a life free from abuse. That's why we're looking ahead and planning our next steps in the fight for every childhood.**

In 2014/15 we will build on the success of our campaigning work by delivering a large-scale public awareness campaign influenced by research, policy and evidence, strengthening our reputation as leaders in the area of online safety.

We aim to significantly increase our influencing and campaigning work with all major political parties leading up to the general election in 2015. We will particularly focus on achieving policy and practice improvements in relation to the child protection system, young witnesses, and online safety.

We will continue to deliver high quality services and will work directly with 11,500 children and families in 2014/15. At the same time, now that a number of our services are at a stage where we have enough evidence to evaluate their effectiveness, we will focus on sharing what we've learned more widely, and where the services have worked well, continue the process of scaling up and knowledge transfer. This will increase the number of children who benefit from an NSPCC-informed service and allow us to extend well beyond our own reach. We'll also develop and test new services that we believe have the potential to help children and young people.

We will continue to have the voices of children at the heart of our work. Because of ChildLine no one understands the issues facing young people today better than we do. In response to increasing online demand from young people we're launching a new ChildLine website this year which will enable better contact on mobile devices and give them a more personalised journey to get the support they need. Our ChildLine Schools Service will expand, visiting more than 6,000 schools and reaching 415,000 children.

Our helpline will also continue to expand, and next year we aim to handle more than 65,000 contacts from people worried about a child. We're also strengthening the helpline's regional response through the development of a service in Northern Ireland and are looking to develop a similar service in Scotland. We're further developing our partnership working with the helpline by implementing specific services, for example one to support families whose children are involved in gangs.

Following on from its work with immigration officers in West Africa to reduce the trafficking of children to the UK from Africa, plans are being finalised to undertake similar activities with countries in Asia.

Through our training and consultancy services we will work with more organisations to help them ensure they have effective child protection procedures in place, that their staff are aware of the harm abuse does to children, their responsibilities to safeguard children, and are confident in taking action to protect children.

We've set ourselves ambitious targets for the year ahead. We need to. We know that our driven and passionate volunteers will do all that is possible to meet these targets and help children and young people.

Because every childhood is worth fighting for.

That's why we're here, that's what drives all our work, and that's why – as long as there's abuse – we will fight for every childhood.

"We've changed the way we deliver our services to understand what works best for children. No one else is doing this on the scale that we are. It's really invaluable work."

Clare, team manger, York service centre

# How we're organised

The London Society for the Prevention of Cruelty to Children was initially founded in 1884 before becoming the National Society for the Prevention of Cruelty to Children (NSPCC) and incorporated by Royal Charter in 1895. The NSPCC was registered with the Charity Commission in 1963. 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 relevant regional differences.

## Our strategy

In 2009 we implemented a seven-year strategy, built on four key principles:

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

Our strategy will deliver more impact for more children, and improve the quality of our direct services. We are more than halfway through this strategy, and we have focused on the following priority areas where we are able to have the most effect:

- Neglect – understanding more and focusing on the highest risk children.
- Physical abuse in high risk families – concentrating on violent adults, alcohol and drug abuse and mental health issues and addressing the consequences for children
- Sexual abuse – defining appropriate services for high risk groups.
- Children under one – identifying remedies to improve outcomes and reducing the likelihood of child death or injury.
- Children with disabilities – identifying ways in which disabled children can be protected and seek help more easily.
- Children from minority ethnic communities – helping these communities access appropriate services.
- Looked after children – understanding specific issues causing a higher incidence of death or serious injury and identifying how the care system can better protect these children.

## Our board of trustees

Our 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 trustees.

Trustees usually serve an initial term of three years that can be extended on two more occasions up to a maximum of nine years. In very exceptional circumstances this may be extended for a further term of office. All of our trustees give their time on a voluntary basis, receiving no remuneration or other benefits from the NSPCC. Any out-of-pocket expenses reclaimed are set out in note 4 to the financial statements.

We recruit our trustees through a variety of means, including open advertising as well as more targeted recruitment searches to ensure that we have the appropriate balance of skills and experience that we need. We also benefit from the involvement and expertise of valued supporters from our branch networks who are trustees, referred to as our divisional trustees.

Our 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.

## Board meetings

Our board meets six times a year, with an additional annual Board Away Day which enables trustees and senior staff to focus on key strategic issues in more depth. Throughout much of the year, we have taken the opportunity to have a session at each trustee meeting which highlights a particular service, hearing from practitioner staff as well as young people.

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

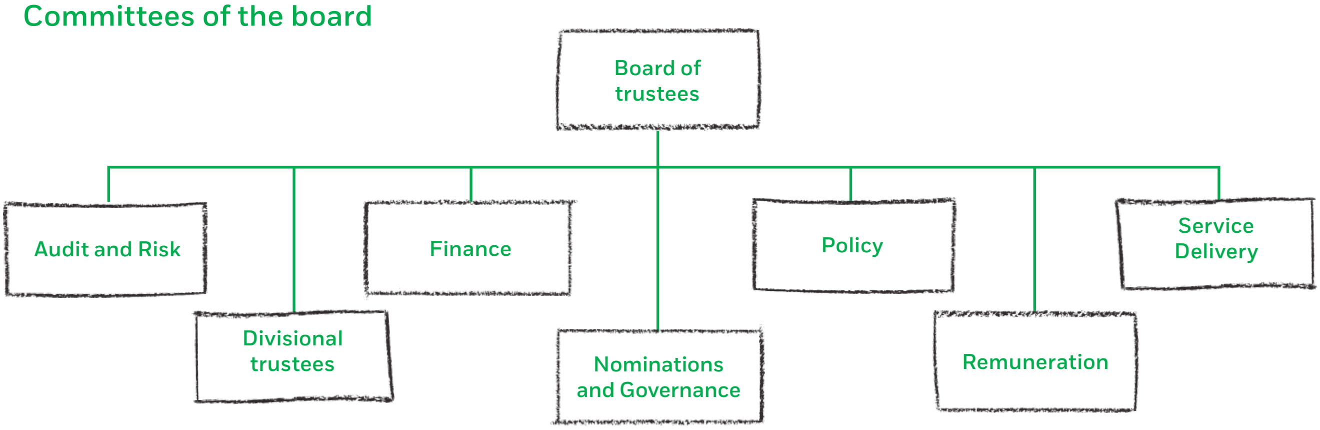
## Delegation

Matters not reserved for decision by the full board are delegated to committees of the board who report back to the board on a regular basis or to the Chief Executive. A framework for levels of decision-making (including financial authority levels) is also in place for all our staff.

## Governance review

Last year we commenced a review of our governance arrangements, undertaken by an external independent expert. Recommendations arising from that review have been implemented, including our Fundraising committee (formerly a committee of the board) becoming an advisory committee supporting the Fundraising Director, and a change of name and terms of reference for our former Development committee, now Service Delivery committee, to better reflect the range of our services. The post-review arrangements are summarised opposite.

## Committees of the board




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

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

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

### Nominations and Governance committee
Ensures that we comply with our Royal Charter and by-laws as well as best governance practice, and reviews the role and membership of the board of trustees and its committees.

### Policy committee
Responsible for identifying key issues on which we must have a public policy position and reviewing our work with the government and other agencies.

### Remuneration committee
Decides on the appropriate level of remuneration for our Chief Executive and reviews recommendations for remuneration of the executive board.

Further banding information on executive board and other senior staff remuneration is included in note 8.

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

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

### National Volunteer board
The National Volunteer board acts as a co-ordinating body for our volunteer network, bringing together volunteers with a passion and commitment to raise funds and is responsible for the key elements of our volunteer fundraising. Four fundraising boards also focus on key elements of our work: the Sport board, the ChildLine board, the Rebuilding Childhoods board and the Now I Know Appeal board.

### Our staff and volunteers
We aim to be an employer of choice and we have just over 1,800 paid staff (on a full-time equivalent basis) operating from 11 regions in the UK. We are also very lucky to have a large and hugely supportive volunteer base; some of our volunteers raise funds for our work, whilst others work directly with children, young people and families through our services.

Our senior management team – the executive board (see page 38) – leads the implementation of the overall direction agreed by the board of trustees, with executive board directors overseeing the following directorates:

- ChildLine Services *
- National Services
- Children's Services Development & Delivery **
- Chief Executive's office
- Communications
- Corporate Services
- Fundraising
- People
- Strategy, Policy & Evidence ***

* ChildLine is now part of the National Services directorate, encompassing ChildLine and Child Protection Advice and Support (formerly Child Protection Advice and Awareness)

** The new name for the former Services for Children and Families directorate

*** The new name for the former Strategy & Development directorate

# Our statutory responsibilities

## Risk management

During 2013-14, we have further strengthened our risk management framework. The executive board and trustees, through the Audit and Risk committee, receive regular reports on serious strategic risks to the NSPCC and the actions taken to control them. This report is based on the corporate Headline Risk Register that is updated quarterly. As part of these reviews the Audit and Risk committee provide their opinion on the adequacy of the Society's risk management framework.

> We believe cruelty to children is preventable and that through having our strategy in place we can achieve much more

## Public benefit and how our activities deliver public benefit

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

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

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 which enhance child protection effectively. We deliver projects in local communities for children who have experienced or are at risk of abuse as well as those in care, focusing on the most vulnerable children. We also provide advice to adults and professionals concerned about children and work with other organisations that come into contact with children to ensure that they protect children and challenge those who do not.

We have also campaigned at national, regional and local level to raise the profile of child protection.

## Trustees' responsibility statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 disseminationoffinancialstatements may differ from legislation in other jurisdictions.

## Subsidiaries and related parties

NSPCC Trading Company Limited and ChildLine are both wholly owned subsidiaries of the NSPCC, and their accounts are consolidated in the accounts presented on pages 40 to 54.

The principal activities of NSPCC Trading Company Limited are a mail order operation, sale of NSPCC branded goods and other major fundraising events. The company had a profitable year and continues to develop its activities to support the work of the NSPCC. The taxable profit of £1.4 million (2013 £2.7 million) was donated under Gift Aid to NSPCC.

ChildLine continues as a separate legal entity in order to receive legacy income not otherwise receivable by the NSPCC. In the year ending 31 March 2014 it received £1.0 million legacy income (2013 £1.2 million). This is paid by way of a grant to the NSPCC towards the operation of the ChildLine service for which the funds were received.

# Financial review

## How we helped children

In what continued to be a challenging financial environment we made it our absolute priority to protect and enhance our level of charitable expenditure. During the year we spent a total of £98.0 million on our charitable activities, an increase of £1.5 million (2 per cent) compared to previous year.

We increased expenditure in the area of Child Protection Advice and Awareness by £4.0 million (18 per cent), to £26.2 million (2013 £22.2 million) including a landmark campaign to help parents protect their children from the risk of sexual abuse. ChildLine services expenditure of £20.8 million was in line with prior year (2013 £20.7 million), and there has been a slight reduction in expenditure on Services for Children and Families, down by £0.8 million to £45.5 million (2013 £46.3 million). The restructure of Child Protection and Consultancy undertaken during 2013 resulted in further savings of £1.7 million (24 per cent), down to £5.5 million (2013 £7.2 million).

We have continued to streamline everything we do; making the most out of every pound we spend.

During the year we worked directly with 11,697 children and families, compared to nearly 10,000 in the previous year. Through our ChildLine Schools Service, teaching children about what abuse is and how to get help, we reached 278,700 children, up 145,212 (109 per cent) on the previous year. The support provided through our Helplines has increased, receiving over 61,000 contacts from adults worried about children, an increase of 20 per cent on the previous year. We have also worked with a total of 13,147 organisations to help them better protect children; an increase of 2,355 (22 per cent) on a year ago.

This year we delivered on our plan to invest in income generation, maintaining existing income streams and creating new ones to ensure there are sufficient funds to support our charitable activities in the future. We increased our marketing and advertising activities in television, telemarketing and direct mail. This investment contributed to the overall increase in costs of generating funds of £1.6 million (6 per cent) up to £26.7 million (2013 £25.1 million).

We continued to maintain tight control of support costs across the organisation, reducing them further to £5.7 million this year, a 35 per cent reduction over the last two years. Governance costs including the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements as well as strategic planning costs have been maintained at last year's level.

Overall, our total resources expended for the year were £124.5 million, £2.6 million (2 per cent) higher compared to last year (2013 £121.9 million), reflecting our increased levels of expenditure on charitable activities and voluntary income generation.

We have been able to commit 78.2 per cent* (2013 78.9 per cent) of expenditure to our work with children and young people.

## How you gave your help

Over the year as a whole, total incoming resources were £125.9 million; £3.5 million (3 per cent) lower than last year (2013 £129.4 million). This was largely due to reductions in income from events and income from charitable activities.

Overall voluntary income remained at a similar level to last year and totalled £110.6 million (2013 £110.7 million). We experienced a reduction in income from regular giving, which declined by £1.5 million (2 per cent) to £66.6 million, which was offset by increases in all other voluntary income streams, with the largest increase in legacy income, up by £0.9 million (5 per cent) to £20.9 million. We would like to thank all our supporters for their ongoing commitment during difficult economic times who remain moved by the cause and continue to give so generously.

The NSPCC also generates a significant proportion of income through fundraising events, the sale of goods, sponsorship and promotional activity. Income from these activities decreased in the year by £2.4 million (29 per cent), to £5.8 million, predominantly due to lower income from fundraising events – during 2013 we held the hugely successful Pop Art Ball, an event not repeated in 2014 but planned for 2015. There have been many fundraising events in the year organised by our staff and volunteers which took place across the length and breadth of the country; we are immensely grateful to everyone involved in these efforts.

Incoming resources from charitable activities, received primarily from local authorities and the government fell by £0.9 million (10 percent), to £8.1 million. This was mainly due to reduced government funding for ChildLine and the adult Helpline which was £0.8 million lower than last year.

Income from our supporters (voluntary income and income from fundraising activities) at 92.4 per cent (2013 91.9 per cent) represents an ever-increasing proportion of total incoming resources, and provides a clear mandate to act on behalf of the public to protect children.

* Charitable expenditure is 78.2 per cent (2013 78.9 per cent) of total resources expended excluding other resources expended.

## Reserves

Total reserves now stand at £77.9 million, an increase of £2.4 million compared to last year. We aim to retain sufficient general funds in a range equivalent to approximately three to five months' forward expenditure.

These general reserves are held in case of any sudden decline in income 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 2014 unrestricted general funds were £47.2 million (2013 £49.6 million) and were equivalent to 4.3 months forward expenditure (2013 4.4 months).

## Investments and cash

The trustees have wide investment powers set out in the Royal Charter and by-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 2014, all of our funds were held in cash or fixed interest bonds available for short-term access. Income generated from investments (excluding net return on pension scheme assets) reduced by £0.1 million to £1.3 million (2013 £1.4 million) reflecting continuing lower levels of return on low risk liquid holdings. There was an unrealised loss on investments of £0.2 million in the year (2013 a gain of £0.8 million).

Total cash and investments decreased by £1.5 million to £54.2 million (2013 £55.7 million), with the cash generated from the operational surplus in the year offset by pension scheme funding and capital expenditure on our new Service Centres and a number of IT projects.

## Pensions

The NSPCC operates a stakeholder defined contribution pension scheme available to all staff, operated by Aviva. The NSPCC also operates a defined benefit scheme which was closed to future accrual on 31 December 2009; on closure members of the scheme had the opportunity to join the stakeholder defined contribution scheme.

During the year NSPCC implemented pension auto enrolment and although as a consequence more staff joined the pension scheme, our overall pension cost dropped due to the reduction in cost of the defined benefit pension scheme.

The valuation of the defined benefit pension scheme is based on the latest triennial actuarial valuation as at 31 March 2012. The subsequent FRS 17 valuation as at 31 March 2014 showed liabilities of £152.5 million with assets of £154.9 million, giving a surplus of £2.4 million (2013 a deficit of £3.7 million). As there are no refunds due from the scheme as at 31 March 2014, the net pension surplus is not recognised in the accounts; instead the surplus has been offset by a provision, taking the overall pensions balance down to a nil value on the balance sheet. Few schemes are currently in a strong enough position to report a nil deficit for accounting purposes.

## 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 2016, 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
24 July 2014

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

We have audited the financial statements of the National Society for the Prevention of Cruelty to Children (NSPCC) for the year ended 31 March 2014, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2014 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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Deloitte LLP

**Deloitte LLP**
Chartered Accountants and Statutory Auditor
London

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.

# Patrons, trustees, officers, and professional advisers

## Royal Patron
**Her Majesty The Queen**

## President
**HRH The Countess of Wessex**

## Royal Patron of ChildLine
**HRH The Countess of Wessex**

## Board of trustees

**Mark Wood**
Chairman
Finance, Nominations and Governance, Remuneration

**Ann Morrison**
Vice-Chairman
Audit and Risk (to February 2014), Divisional Trustees (Chair), Fundraising, Nominations and Governance, Remuneration

**Sir David Normington GCB**
Vice-Chairman
Nominations and Governance, Policy (Chair), Remuneration

**Locksley Ryan**
Vice-Chairman
(retired 3 October 2013)

**Jonathan Bloomer**
Honorary Treasurer
Audit and Risk, Finance (Chair), Fundraising, Remuneration

**James Bailey**
Divisional Trustees

**Neil Berkett**
Fundraising (Chair), Service Delivery (from October 2013)

**Fiona Curteis**
Divisional Trustees

**Heather Henshaw MBE**
Divisional Trustees, Finance

**Lady Brenda McLaughlin CBE**
Divisional Trustees, Service Delivery (Chair) (from October 2013)

**Dame Denise Platt DBE**
Audit and Risk (Chair), Policy, Service Delivery

**Esther Rantzen CBE**
President of ChildLine, Policy, Service Delivery

**Ramez Sousou**
(retiring 2 October 2014)

**Professor Terence Stephenson**
Policy

**David Tait MBE**
Fundraising (resigned 24 July 2014)

**Philippa Webster**
Divisional Trustees, Finance

**Sarah Wilson**
Audit and Risk, Policy

We warmly thank Locksley Ryan for the key role he played and the leadership he provided during his time as a trustee and Vice-Chairman. We also extend our gratitude to Ramez Sousou and to David Tait for their passionate commitment to our work, not only as trustees but also for their continuing valued support.

## Co-opted members

We would like to recognise the help and expert advice given by the following co-opted members and thank them for their support on the following committees:

**Clem Brohier**
Audit and Risk

**Lynn Price**
Divisional Trustees

**Daniel Benton and John Worth**
Finance

The following served on the Fundraising committee, which became an advisory committee in November 2013:

**Andy Briggs**
**Geoffrey Godding**
**Tarek Khlat** (from September 2013)
**Peter Mead** (to August 2013)
**Philip Rowley**

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

**Steve Delo (Chair)**
**Alex Camm**
**Wayne Casey**
**Clare Murray**
**Philippa Webster**

## Senior management (the executive board)

**Chief Executive**
Peter Wanless (from 3 June 2013)

**Director of ChildLine Services**
Peter Liver

**Director of Child Protection Advice and Awareness**
Peter Watt (and National Services Director from February 2014)

**Director of Communications**
Ali Jeremy

**Director of Corporate Services**
David Roberts

**Director of Fundraising**
Paul Farthing (from 15 April 2013)

**People Director**
Siobhan Sheridan (from 20 May 2013)

**Director of Services for Children and Families**
Carol Long
(resigned 31 March 2014)

**Director of Strategy and Development**
(to 24 March 2014) **Interim Director of Children's Services Development and Delivery**
(from 24 March 2014)
Phillip Noyes

**Director of Strategy, Policy & Evidence**
Lisa Harker (from 3 March 2014)

We thank Carol Long for her contribution 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
& Registered Auditor
2 New Street Square
London EC4A 3BZ

## Legal advisers

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

**Bond Dickinson**
4 More London Riverside
London SE1 2AU

**Charles Russell**
5 Fleet Place
London EC4M 7RD

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

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

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

**Collas Crill**
40 Don Street
St Helier
Jersey JE1 4XD

**DLA Piper**
3 Noble Street
London EC2V 7EE

**Matrix Chambers**
Griffin Building
Gray's Inn
London WC1R 5LN

**One Paper Buildings**
Temple
London EC4Y 7EP

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

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

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

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

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

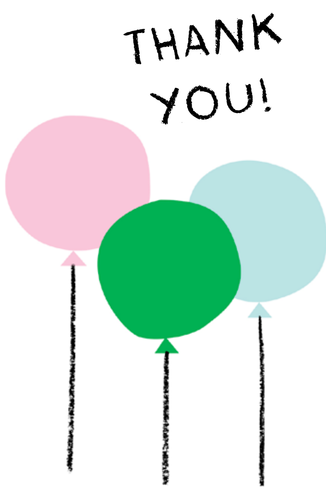
## Investment advisers

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

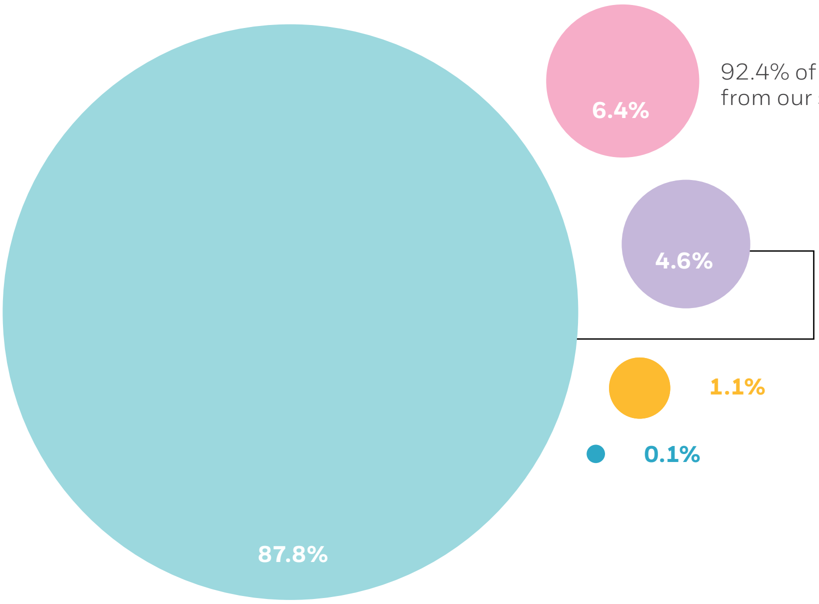
**Henderson Global Investors**
201 Bishopsgate
London EC2M 3AE

**M&G Investments**
Laurence Pountney Hill
London EC4R 0HH

**UBS AG**
3 Finsbury Avenue
London EC2M 2AN



# How you gave your help




92.4% of income comes from our supporters.

## £125.9 million

**Total incoming resources**

(2013 £129.4 million)

### £110.6 million

**Donations, gifts and legacies 87.8%**

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

(2013 £110.7million, 85.6%)

### £1.3 million

**Investment income 1.1%**

Income received from our bank accounts and investment holdings.

(2013 £1.5 million, 1.1%)

### £0.1 million

**Other 0.1%**

This includes profit on sale of properties and other capital assets.

(2013 £0.1million, 0.1%)

### £5.8 million

**Income from fundraising activities 4.6%**

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.

(2013 £8.2 million, 6.3%)

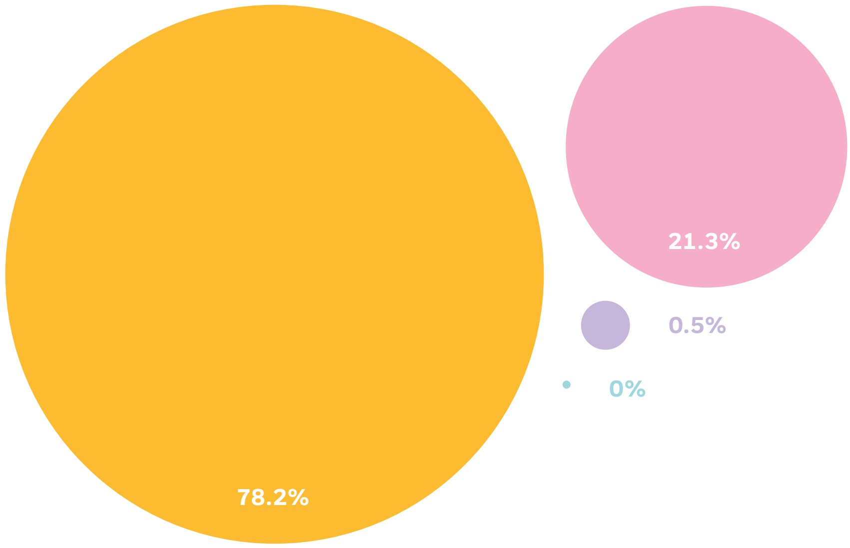
### £8.1 million

**Income from carrying out our charitable work 6.4%**

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.

(2013 £9.0million, 6.9%)

# How we helped children




## £125.3million*

**Total resources expended**
(excluding other costs of a one-off nature)

(2013 £122.3m)

## £98.0 million

**Charitable expenditure 78.2%**

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

(2013 £96.5 million)

- **Services for children and families £45.5 million**
  (2013 £46.3 million)
- **ChildLine £20.8 million**
  (2013 £20.7 million)
- **Child protection advice and awareness £26.2 million**
  (2013 £22.3 million)
- **Child protection consultancy £5.5 million**
  (2013 £7.2 million)

## £26.7 million

**Cost of generating income 21.3%**

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

(2013 £25.1 million)

## £0.7 million

**Governance 0.5%**

Costs incurred in meeting constitutional and statutory requirements.

(2013 £0.7 million)

## (£0.8) million

**Other 0%***

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

(2013 £0.4 million)

*Total resources expended were £124.5 million (2013 £121.9 million) including other resources expended of £0.8 million (2013 £0.4 million). These have been excluded from the figures presented above as they are costs of a one-off nature. This year, other resources expended is a net credit due to the recovery of £1.4m input VAT suffered in prior periods.

# NSPCC Consolidated statement of financial activities

## for the year to 31 March 2014

| | Notes | General & Designated funds (£'000) | Restricted & Endowment funds (£'000) | Year to 31 March 2014 (£'000) | Year to 31 March 2013 (£'000) |
|---|---|---|---|---|---|
| **Incoming resources** | | | | | |
| Voluntary income (including donations, gifts and legacies) | 2 | 100,429 | 10,183 | 110,612 | 110,705 |
| Activities for generating funds (including fundraising events and sale of goods) | 2 | 3,940 | 1,815 | 5,755 | 8,154 |
| Investment income | 2 | 1,335 | 4 | 1,339 | 1,457 |
| **Incoming resources from generated funds** | | **105,704** | **12,002** | **117,706** | **120,316** |
| Incoming resources from charitable activities | 3 | 2,526 | 5,565 | 8,091 | 8,969 |
| Other incoming resources (including profit on disposals of fixed assets) | | 80 | – | 80 | 147 |
| **Total incoming resources** | | **108,310** | **17,567** | **125,877** | **129,432** |
| Costs of generating voluntary income | 4 | 22,958 | 97 | 23,055 | 20,770 |
| Fundraising trading: costs of goods sold and other costs | 4 | 3,084 | 454 | 3,538 | 4,224 |
| Investment management costs | 4 | 117 | 3 | 120 | 107 |
| **Costs of generating funds** | | **26,159** | **554** | **26,713** | **25,101** |
| **Net incoming resources available for charitable application** | | **82,151** | **17,013** | **99,164** | **104,331** |
| Services for children and families | | 39,517 | 5,957 | 45,474 | 46,321 |
| ChildLine | | 11,391 | 9,401 | 20,792 | 20,717 |
| Child protection advice and awareness | | 25,622 | 600 | 26,222 | 22,216 |
| Child protection consultancy | | 4,146 | 1,319 | 5,465 | 7,242 |
| **Cost of charitable activities** | **4** | **80,676** | **17,277** | **97,953** | **96,496** |
| Governance costs | 4 | 651 | – | 651 | 650 |
| Other resources expended | 4 | (789) | – | (789) | (357) |
| **Net incoming/(outgoing) resources before transfers** | | **1,613** | **(264)** | **1,349** | **7,542** |
| Transfer between funds | 21 | – | – | – | – |
| **Net movement in funds before other recognised gains and losses** | | **1,613** | **(264)** | **1,349** | **7,542** |
| **Other recognised gains and losses** | | | | | |
| (Losses)/gains on investment assets | 12 | (221) | (5) | (226) | 848 |
| Actuarial gains/(losses) on defined benefit pension scheme | 19 | 1,247 | – | 1,247 | (201) |
| **Net movement in funds** | | **2,639** | **(269)** | **2,370** | **8,189** |
| **Total funds brought forward** | | **66,653** | **8,879** | **75,532** | **67,343** |
| **Total funds carried forward** | | **69,292** | **8,610** | **77,902** | **75,532** |
| **Note:** | | | | | |
| **Total incoming resources** | | **108,310** | **17,567** | **125,877** | **129,432** |
| **Total resources expended** | **4** | **106,697** | **17,831** | **124,528** | **121,890** |
| **Net incoming/(outgoing) resources before transfers** | | **1,613** | **(264)** | **1,349** | **7,542** |

All income relates to continuing operations.

The net losses on investment assets shown under the Restricted and Endowment 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 2014

| | Notes | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 10 | 33,352 | 33,161 | 33,352 | 33,161 |
| Investments | 12 | 46,300 | 46,071 | 46,300 | 46,071 |
| **Total fixed assets** | | **79,652** | **79,232** | **79,652** | **79,232** |
| **Current assets** | | | | | |
| Debtors | 13 | 8,752 | 9,646 | 8,545 | 9,512 |
| Investments | 14 | 7,318 | 8,604 | 7,318 | 8,604 |
| Cash at bank and in hand | 14 | 605 | 1,040 | 559 | 951 |
| **Total current assets** | | **16,675** | **19,290** | **16,422** | **19,067** |
| Creditors - amounts falling due within one year | 15 | (14,082) | (13,744) | (13,859) | (13,551) |
| **Net current assets** | | **2,593** | **5,546** | **2,563** | **5,516** |
| **Total assets less current liabilities** | | **82,245** | **84,778** | **82,215** | **84,748** |
| Creditors - amounts falling due after one year | 16 | (70) | (175) | (70) | (175) |
| Provisions for liabilities | 17 | (4,273) | (5,324) | (4,273) | (5, 324) |
| **Net assets excluding pension scheme liability** | | **77,902** | **79,279** | **77,872** | **79,249** |
| Defined benefit pension scheme liability | 19 | - | (3,747) | - | (3,747) |
| **Net assets including pension scheme liability** | | **77,902** | **75,532** | **77,872** | **75,502** |
| **Capital funds** | | | | | |
| Endowments | 21 | 1,394 | 1,402 | 1,394 | 1,402 |
| **Income funds** | | | | | |
| Restricted | 21 | 7,216 | 7,477 | 7,216 | 7,477 |
| Unrestricted: | | | | | |
| Designated funds | 21 | 22,093 | 20,773 | 22,093 | 20,773 |
| General funds | 21 | 47,199 | 49,627 | 47,169 | 49,597 |
| Unrestricted funds excluding pension liability | | 69,292 | 70,400 | 69,262 | 70,370 |
| Pension reserve | 19 | - | (3,747) | - | (3,747) |
| Unrestricted funds including pension liability | | 69,292 | 66,653 | 69,262 | 66,623 |
| **Total funds** | | **77,902** | **75,532** | **77,872** | **75,502** |

Approved by the Board of Trustees on 24 July 2014 and signed on its behalf by

Mark Wood

**Mark Wood**
Chairman

**Jonathan Bloomer**
Treasurer

# Consolidated cash flow statement

## for the year ended 31 March 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|---|---|---|---|
| Net cash inflow from operating activities | a | 1,941 | 6,498 |
| Returns on investments and servicing of finance | b | 1,339 | 1,457 |
| Capital expenditure and financial investment | c | (5,001) | (387) |
| **Net cash (outflow)/inflow before management of liquid resources** | | **(1,721)** | **7,568** |
| Management of liquid resources | d | 1,286 | (7,544) |
| **(Decrease)/Increase in cash in the year** | | **(435)** | **24** |

**Notes to the cash flow statement**

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **a. Reconciliation of net incoming resources to net cash inflow from operating activities** | | |
| Net incoming resources before other recognised gains and losses | 1,349 | 7,542 |
| Investment income | (1,339) | (1,457) |
| Depreciation | 4,409 | 4,500 |
| Impairment charges | 26 | 146 |
| Profit on disposal of tangible fixed assets | (80) | (147) |
| Decrease/(increase) in debtors | 894 | (1,236) |
| Increase in creditors | 233 | 1,047 |
| Difference between pension contributions paid and charges made | (2,500) | (1,948) |
| Decrease in other provisions | (1,051) | (1,949) |
| **Net cash inflow from operating activities** | **1,941** | **6,498** |
| **b. Returns on investments and servicing of finance** | | |
| Investment income received | 1,339 | 1,457 |
| **c. Capital expenditure and financial investment** | | |
| Purchase of tangible fixed assets | (4,996) | (4,433) |
| Sale of tangible fixed assets | 450 | 622 |
| Purchase of investments | (8,252) | (9,740) |
| Sale of investments | 7,797 | 13,164 |
| **Total** | **(5,001)** | **(387)** |
| **d. Management of liquid resources** | | |
| Decrease/(increase) in short term investments | 1,286 | (7,544) |

| **e. Analysis of changes in net funds** | 1 April 2013 £'000 | Cash Flow £'000 | 31 March 2014 £'000 |
|---|---|---|---|
| Cash at bank and in hand | 1,040 | (435) | 605 |
| Short term investments | 8,604 | (1,286) | 7,318 |
| **Total** | **9,644** | **(1,721)** | **7,923** |

| **f. Reconciliation of net cash flow to movement in net funds** | 2014 £'000 | 2013 £'000 |
|---|---|---|
| (Decrease)/increase in cash in the year | (435) | 24 |
| Cash used to (decrease)/increase liquid resources | (1,286) | 7,544 |
| **Change in net funds** | **(1,721)** | **7,568** |
| Net funds balance brought forward | 9,644 | 2,076 |
| **Net funds balance carried forward** | **7,923** | **9,644** |

# Notes to the consolidated accounts

## for the year ended 31 March 2014

## 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 their activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 1.2 Consolidated accounts

The results of NSPCC Trading Company Limited (the "Trading Company") and ChildLine, wholly-owned subsidiaries, have been consolidated on a line-by-line basis in the Statement of Financial Activities (SOFA) and Balance Sheet. 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.

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

### 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.

### 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 general funds to cover the value of property fixed assets held, or to fund specific future purposes or projects.

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

**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 note 21.

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

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

### 1.8 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 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 2014 £'000 | Total 2013 £'000 |
|---|---|---|
| **Voluntary income:** | | |
| Regular donations from individuals | 66,563 | 68,075 |
| Legacies | 20,909 | 19,955 |
| Community fundraising | 7,948 | 7,929 |
| Other donations and gifts | 15,192 | 14,746 |
| **Total voluntary income** | **110,612** | **110,705** |
| **Activities for generating funds:** | | |
| Fundraising events | 4,656 | 6,613 |
| Sale of goods and other income | 1,099 | 1,541 |
| **Total activities for generating funds** | **5,755** | **8,154** |
| **Investment income:** | | |
| Dividends - UK | 7 | 5 |
| Interest | 1,332 | 1,452 |
| **Total investment income** | **1,339** | **1,457** |

*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 £727,000 (2013 £419,000) and have been recognised as voluntary income within other donations and gifts. Other donations and gifts also includes £242,000 (2013 £546,000) income received for a capital purpose.

## 3 Analysis of income from charitable activities

Income raised by the following child protection activities:

| | Total Statutory Funding | | | Other Funding | | | |
|---|---|---|---|---|---|---|---|
| | Income from SLAs £'000 | Donated services & facilities £'000 | Grants and one-off fees £'000 | Fees from non-statutory bodies £'000 | Sale of training materials £'000 | Total 2014 £'000 | Total 2013 £'000 |
| Services for children and families | 915 | 119 | 516 | 427 | - | 1,977 | 1,734 |
| ChildLine | - | - | 2,492 | 3 | - | 2,495 | 3,246 |
| Child protection advice and awareness | - | - | 393 | 92 | - | 485 | 551 |
| Child protection consultancy | 51 | - | 1,251 | 1,618 | 214 | 3,134 | 3,438 |
| **Total incoming resources from charitable activities** | **966** | **119** | **4,652** | **2,140** | **214** | **8,091** | **8,969** |

Donated services and facilities under service level agreements amounted to £64,000 (2013 £94,000) in respect of staff secondments, and £55,000 (2013 £24,000) in respect of premises and other facilities which have been recognised as gifts in kind.

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

## 4 Analysis of total resources expended

| Costs of generating funds: | Note | Direct costs £'000 | Support costs £'000 | Total 2014 £'000 | Total 2013 £'000 |
|---|---|---|---|---|---|
| **Costs of generating voluntary income:** | | | | | |
| Costs of raising monthly donations from individuals | | 9,599 | 153 | 9,752 | 7,847 |
| Costs of raising legacy income | | 2,192 | 74 | 2,266 | 1,753 |
| Costs of community fundraising | | 4,058 | 244 | 4,302 | 4,361 |
| Costs of raising other voluntary income | | 6,405 | 330 | 6,735 | 6,809 |
| **Total costs of generating voluntary income** | | **22,254** | **801** | **23,055** | **20,770** |
| **Costs of fundraising trading:** | | | | | |
| Costs of fundraising events | | 2,663 | 79 | 2,742 | 2,780 |
| Costs of sales of goods and other activities for generating funds | | 761 | 35 | 796 | 1,444 |
| **Total costs of fundraising trading** | | **3,424** | **114** | **3,538** | **4,224** |
| Investment manager costs | | 120 | – | 120 | 107 |
| **Total costs of generating funds** | **5** | **25,798** | **915** | **26,713** | **25,101** |
| **Activities to end cruelty to children:** | | | | | |
| Services for children and families | | 42,936 | 2,538 | 45,474 | 46,321 |
| ChildLine | | 19,583 | 1,209 | 20,792 | 20,717 |
| Child protection advice and awareness | 5 | 25,426 | 796 | 26,222 | 22,216 |
| Child protection consultancy | | 5,197 | 268 | 5,465 | 7,242 |
| **Total costs of charitable activities** | | **93,142** | **4,811** | **97,953** | **96,496** |
| **Total governance costs** | **7** | **651** | **–** | **651** | **650** |
| **Other resources expended:** | | | | | |
| Dilapidations provision | | 138 | – | 138 | (131) |
| Restructuring costs | | 512 | – | 512 | 971 |
| Write down of property and equipment | | 26 | – | 26 | 146 |
| VAT recovered in respect of prior years | | (1,445) | – | (1,445) | (1,507) |
| Other costs | | (20) | – | (20) | 164 |
| **Total other resources expended** | | **(789)** | **–** | **(789)** | **(357)** |
| **Total resources expended** | | **118,802** | **5,726** | **124,528** | **121,890** |

Included in total resources expended is irrecoverable Value Added Tax of £5,091,000 (2013 £4,615,000).

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. The £1.35 million remains as a balance in the provision for doubtful debts at 31 March 2014.

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, vacated properties at the end of the lease term and the commitment to new leases.

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

During the year the NSPCC was able to make a net recovery of input VAT suffered in prior years which is included in other resources expended; professional fees incurred have been deducted from the amount recovered.

**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** – work in partnership with adults across the UK, empowering them to take action on behalf of children. This includes the NSPCC helpline (telephone and online services) providing advice and support to adults; the Child Trafficking Advice Centre (CTAC); the provision of comprehensive and expert information services; 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:** | **2014 £'000** | **2013 £'000** |
|---|---|---|
| **Operating lease rentals:** | | |
| Plant and machinery | 172 | 159 |
| Other | 2,023 | 2,278 |
| **Fees payable to the Charity's auditors for:** | | |
| The audit of the Charity and Group accounts | 93 | 92 |
| The audit of the Charity's subsidiaries' accounts pursuant to legislation | 6 | 6 |
| **Total audit fees** | **99** | **98** |
| Tax services | 2 | 2 |
| Other consultancy | 261 | 341 |
| Other consultancy - pro bono | - | 9 |
| **Total non-audit fees** | **263** | **352** |
| **Charges on owned assets:** | | |
| Depreciation | 4,409 | 4,500 |
| Impairment | 26 | 146 |
| **Trustees' expenses:** | | |
| Trustees' travel and other expenses | 11 | 12 |

The trustees are not entitled to and did not receive any remuneration during the year (2013 £nil). Total trustees expenses of £11,000 were incurred in the year (2013 £12,000). Five trustees reclaimed travel and other expenses during the year (2013 six). During the year, the NSPCC paid indemnity insurance in respect of the trustees of £8,000 (2013 £8,000).

## 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;
- 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.

| | 2014 Costs of generating funds £'000 | 2014 Child protection advice and awareness £'000 | 2013 Costs of generating funds £'000 | 2013 Child protection advice and awareness £'000 |
|---|---|---|---|---|
| Charged directly | 9,550 | 11,393 | 11,475 | 9,811 |
| Allocated costs | 16,248 | 14,033 | 12,643 | 11,573 |
| **Sub total** | **25,798** | **25,426** | **24,118** | **21,384** |
| Support costs allocated | 915 | 796 | 983 | 832 |
| **Total** | **26,713** | **26,222** | **25,101** | **22,216** |

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. For example, marketing materials are evaluated by content.

## 6 Allocation of support costs

| Type of cost | Total allocated to cost of generating funds £'000 | Total allocated to charitable activities £'000 | Total 2014 £'000 | Total 2013 £'000 |
|---|---|---|---|---|
| Divisional management | 6 | 60 | 66 | 85 |
| Central management and administration | 644 | 3,609 | 4,253 | 4,450 |
| Premises, legal and other support costs | 265 | 1,142 | 1,407 | 1,393 |
| **Total support costs allocated** | **915** | **4,811** | **5,726** | **5,928** |

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.

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

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Governance and professional support for trustees | 552 | 552 |
| External audit | 99 | 98 |
| **Total governance costs** | **651** | **650** |

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

## 8 Employees

| Total staff costs | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Wages and salaries | 59,674 | 61,289 |
| Cost of seconded staff | 761 | 1,148 |
| Social security costs | 6,216 | 6,492 |
| Pension costs | 4,150 | 5,019 |
| **Total** | **70,801** | **73,948** |

Pension finance costs of £nil (2013 expenditure of £52,000) arising from changes in the net of the interest cost and expected return on assets has been excluded from pension costs above.

The average number of employees on the payroll for the year was 2,006 (2013 2,017). The average number of employees, calculated on a full time equivalent basis for the year was 1,810 (2013 1,852). 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. An employee car allowance is provided to employees contractually required to have a car for work purposes.

| The average number of employees, calculated on a full time equivalent basis, analysed by function was: | 2014 Number | 2013 Number |
|---|---|---|
| Activities to end cruelty to children | 1,331 | 1,365 |
| Generating funds | 308 | 304 |
| Support and governance | 171 | 183 |
| **Total** | **1,810** | **1,852** |

## 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: | 2014 Number | 2013 Number |
|---|---|---|
| £160,001-£170,000 | - | 1 |
| £130,001-£140,000 | 1 | - |
| £120,001-£130,000 | 2 | 1 |
| £110,001-£120,000 | 2 | 2 |
| £100,001-£110,000 | 1 | 1 |
| £90,001-£100,000 | 4 | 2 |
| £80,001-£90,000 | 5 | 5 |
| £70,001-£80,000 | 5 | 11 |
| £60,001-£70,000 | 35 | 29 |
| **Total** | **55** | **52** |

55 out of the 55 employees earning more than £60,000 participated in the defined contribution (stakeholder) pension scheme (2013 49 of the 52).

Employer contributions to the stakeholder scheme for employees earning over £60,000 in the year were £421,000 (2013 £353,000).

## 9 Subsidiary companies and their activities

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

### NSPCC Trading Company Limited

NSPCC Trading Company Limited (NSPCC Trading) is incorporated in the UK. 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 company results are 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 2014 £'000 | NSPCC Trading 2013 £'000 |
|---|---|---|
| Turnover | 2,899 | 4,590 |
| Cost of sales | (965) | (1,252) |
| **Gross profit** | **1,934** | **3,338** |
| Net operating costs | (563) | (660) |
| **Operating profit** | **1,371** | **2,678** |
| Amount gift aided to NSPCC | (1,371) | (2,678) |
| **Retained profit for the year** | **–** | **–** |
| **Assets, liabilities and funds:** | | |
| Assets | 1,372 | 1,473 |
| Liabilities | (1,342) | (1,443) |
| **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.

## 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.

ChildLine the entity exists to receive legacy income otherwise not receivable by the NSPCC. These funds are paid by way of a grant to the NSPCC.

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

| | ChildLine 2014 £'000 | ChildLine 2013 £'000 |
|---|---|---|
| Total incoming resources | 962 | 1,194 |
| Total resources expended | (962) | (1,194) |
| **Net incoming resources** | **–** | **–** |
| Funds balance brought forward | – | – |
| **Funds balance carried forward** | **–** | **–** |
| **Assets, liabilities and funds:** | | |
| Assets | - | 20 |
| Liabilities | - | (20) |
| **Total funds** | **–** | **–** |

## NSPCC results (excluding subsidiaries)

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

| | NSPCC excluding subsidiaries 2014 £'000 | NSPCC excluding subsidiaries 2013 £'000 |
|---|---|---|
| Total incoming resources | 124,360 | 127,530 |
| Total resources expended | (123,010) | (119,988) |
| **Net incoming resources** | **1,350** | **7,542** |
| (Loss)/gain on investment assets | (226) | 848 |
| Actuarial gain/(loss) on defined benefit schemes | 1,246 | (201) |
| **Net movement in funds** | **2,370** | **8,189** |
| Funds balance brought forward | 75,502 | 67,313 |
| **Funds balance carried forward** | **77,872** | **75,502** |

The total incoming resources figure for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £1,371,000 (2013 £2,678,000) and the grant from ChildLine of £962,000 (2013 £1,194,000).

## 10 Tangible fixed assets

| Group and Charity | Freehold property £'000 | Leasehold property £'000 | Furniture, fittings, equipment and computer software £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2013 | 28,255 | 18,848 | 18,759 | 65,862 |
| Additions | 639 | 2,265 | 2,092 | 4,996 |
| Disposals | (401) | (1,580) | (303) | (2,284) |
| **31 March 2014** | **28,493** | **19,533** | **20,548** | **68,574** |
| **Depreciation** | | | | |
| 1 April 2013 | 11,352 | 8,406 | 12,943 | 32,701 |
| Impairment charges | - | 23 | 3 | 26 |
| Charge for year | 360 | 1,058 | 2,991 | 4,409 |
| Disposals | (122) | (1,514) | (278) | (1,914) |
| **31 March 2014** | **11,590** | **7,973** | **15,659** | **35,222** |
| **Net book value:** | | | | |
| **31 March 2014** | **16,903** | **11,560** | **4,889** | **33,352** |
| 31 March 2013 | 16,903 | 10,442 | 5,816 | 33,161 |

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 2012. The valuation was performed on the basis of market value, existing use value and market rent. This valuation was used for the Society's impairment review carried out in the year, 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.

Freehold properties include £2.8m (net book value) related to a property which was sold on 24 July 2014 for proceeds of £8.5m, excluding sales cost. The NSPCC will remain in the building during the next financial year as a tenant on a short term lease.

## 11 Capital commitments

There were capital commitments of £299,000 at 31 March 2014 (2013: £347,000).

## 12 Investments

| | Group and Charity 2014 £'000 | Group and Charity 2013 £'000 |
|---|---|---|
| Market value at 1 April | 46,071 | 48,647 |
| Purchases at cost | 8,252 | 9,740 |
| Disposals at carrying value | (7,797) | (13,164) |
| (Decrease)/Increase in market value (excluding movement in value of donated shares) | (226) | 848 |
| **Value at 31 March** | **46,300** | **46,071** |
| Historical cost as at 31 March | 43,842 | 43,566 |

The investments include shares in three companies, which are unlisted, which the charity accepted as donations. At 31 March 2014 there were no listed shares (2013 none).

| At the balance sheet date, the portfolio was invested as follows: | Group and Charity 2014 £'000 | 2013 £'000 |
|---|---|---|
| UK fixed interest bonds & deposits | 27,844 | 27,415 |
| UK deposit bank accounts | 18,205 | 18,060 |
| UK cash instruments | 251 | 596 |
| **Value at 31 March** | **46,300** | **46,071** |

| At 31 March 2014 the following investments represented more than 5 per cent of the portfolio by market value: | % | Value £'000 |
|---|---|---|
| M&G Corporate Bond Fund | 25.3% | 11,721 |
| UBS Fund | 24.7% | 11,454 |
| RBS Call Plus Account | 10.0% | 4,610 |
| Henderson Pref & Bond CLS | 10.6% | 4,920 |
| Barclays Deposit Account | 18.7% | 8,679 |

## 13 Debtors

| | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|
| Trade debtors | 1,547 | 2,082 | 901 | 1,268 |
| Amounts due from group undertakings | - | - | 1,118 | 1,227 |
| Other debtors | 2,891 | 3,102 | 2,878 | 3,138 |
| Prepayments | 2,289 | 2,177 | 1,732 | 1,778 |
| Accrued income | 2,025 | 2,285 | 1,916 | 2,101 |
| **Total** | **8,752** | **9,646** | **8,545** | **9,512** |

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

| | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|
| Current investments | 7,318 | 8,604 | 7,318 | 8,604 |
| Cash at bank and in hand | 605 | 1,040 | 559 | 951 |
| **Total** | **7,923** | **9,644** | **7,877** | **9,555** |

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

## 15 Creditors: amounts falling due within one year

| | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|
| Trade creditors | 6,410 | 5,807 | 6,413 | 5,793 |
| Other creditors | 2,785 | 3,226 | 2,776 | 3,205 |
| Accruals | 3,868 | 3,908 | 3,859 | 3,845 |
| Deferred income (see note 18) | 1,019 | 803 | 811 | 708 |
| **Total** | **14,082** | **13,744** | **13,859** | **13,551** |

## 16 Creditors: amounts falling due after one year

| | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|
| Accruals | 58 | 116 | 58 | 116 |
| Deferred VAT liability | 12 | 59 | 12 | 59 |
| **Total** | **70** | **175** | **70** | **175** |

## 17 Provisions

| | Dilapidations on leasehold properties £'000 | Restructuring £'000 | Other £'000 | Total Group and Charity £'000 |
|---|---|---|---|---|
| Opening balance at 1 April 2013 | 3,013 | 1,995 | 316 | 5,324 |
| Increase in provision in the year | 435 | 41 | - | 476 |
| Utilised in the year | (527) | (1,000) | - | (1,527) |
| **Closing balance at 31 March 2014** | **2,921** | **1,036** | **316** | **4,273** |
| **Commitments are likely to be met:** | | | | |
| Within one year | 1,002 | 1,004 | 316 | 2,322 |
| After one year and less than five years | 1,833 | 32 | - | 1,865 |
| After five years | 86 | - | - | 86 |
| **Total** | **2,921** | **1,036** | **316** | **4,273** |

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 2013 £'000 | Deferred £'000 | Released £'000 | 31 March 2014 £'000 |
|---|---|---|---|---|
| Statutory sources | 16 | 54 | (16) | 54 |
| Other charitable sources | 155 | 269 | (155) | 269 |
| Income from fundraising activities | 537 | 488 | (537) | 488 |
| **Total for the Charity** | **708** | **811** | **(708)** | **811** |
| Income from fundraising activities | 95 | 208 | (95) | 208 |
| **Total for the Group** | **803** | **1,019** | **(803)** | **1,019** |

| **The main reasons for deferrals are as follows:** | Group 2014 £'000 | Group 2013 £'000 | Charity 2014 £'000 | Charity 2013 £'000 |
|---|---|---|---|---|
| Time restrictions imposed by funder | 54 | 16 | 54 | 16 |
| Potentially refundable income received for future events | 696 | 632 | 488 | 537 |
| Other deferrals | 269 | 155 | 269 | 155 |
| **Total** | **1,019** | **803** | **811** | **708** |

## 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 £4,150,000 (2013 £4,519,000). As at 31 March 2014, £429,000 was outstanding (2013 £785,000).

During the year NSPCC implemented auto enrolment, with effect from 1 November 2013.

### 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.

### Accounting for the defined benefit scheme under FRS17

The full actuarial valuation of the defined benefit scheme as at 31 March 2012 was updated to 31 March 2014, 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 2014 was 5.47% pa (2013 4.50% 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 2013.

The amount of total employer contributions expected to be paid to the scheme during 2014/15 in relation to scheme deficit funding is £1,750,000 (2014: £2,000,000). During the year ending 31 March 2014, in addition to deficit funding, £500,000 was given as a discretionary increase to scheme pensioners as at 1 July 2013.

## 19 NSPCC pension schemes (continued)

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

| **Assumptions** | **31 March 2014** | **31 March 2013** |
|---|---|---|
| Retail price inflation | 3.30% pa | 3.30% pa |
| Consumer price inflation | 2.30% pa | 2.30% pa |
| Discount rate | 4.40% pa | 4.20% pa |
| Pension increases (5% LPI) | 3.20% pa | 3.20% pa |

| **Life expectancy** | **2014 Male** | **2014 Female** | **2013 Male** | **2013 Female** |
|---|---|---|---|---|
| Retiring at age 65 in 2014 | 21.7 years | 24.0 years | 21.8 years | 23.9 years |
| Retiring at age 65 in 2034 | 23.9 years | 26.3 years | 24.1 years | 26.3 years |

The table reflects the change in the mortality tables used for the 31 March 2014 valuation.

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.

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 2014 £'000** | **31 March 2013 £'000** | **31 March 2012 £'000** | **31 March 2011 £'000** | **31 March 2010 £'000** |
|---|---|---|---|---|---|
| Fair value of assets | 154,853 | 153,193 | 155,238 | 148,168 | 141,371 |
| Present value of liabilities | (152,479) | (156,940) | (160,732) | (154,644) | (151,715) |
| Impact of limitation in recognition of scheme surplus | (2,374) | - | - | - | - |
| **Deficit in the scheme, equalling the net pension liability** | **-** | **(3,747)** | **(5,494)** | **(6,476)** | **(10,344)** |

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

| | **2014 £'000** | **2013 £'000** |
|---|---|---|
| Past service cost | 500 | 500 |
| Interest cost | 6,495 | 6,966 |
| Expected return on scheme's assets | (8,304) | (6,914) |
| Unrecognised expected return on assets due to limitation on recognition of scheme surplus | 1,809 | - |
| Unrecognised past service cost due to limitation on recognition of scheme surplus | (500) | - |
| **Total expense** | **-** | **552** |

The following amounts have been included within actuarial gain/(loss) recognised under FRS17 in relation to the defined benefit scheme:

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Actuarial loss on scheme assets | (4,023) | (6,113) |
| Actuarial gain on scheme liabilities | 6,335 | 5,912 |
| Unrecognised actuarial gain due to limitation of recognition of scheme surplus | (1,065) | - |
| **Actuarial gains/(losses) on defined benefit pension scheme** | **1,247** | **(201)** |

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

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Equities | 28,670 | 41,799 |
| Bonds | 3,185 | 2,619 |
| Property | 6,515 | 5,795 |
| Absolute return fund | 34,003 | 24,962 |
| Diversified growth fund | 33,282 | 25,925 |
| Insured annuities | 48,435 | 51,753 |
| Cash/other | 763 | 340 |
| **Total assets** | **154,853** | **153,193** |

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

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Opening value of scheme liabilities | 156,940 | 160,732 |
| Past service cost | 500 | 500 |
| Interest cost | 6,495 | 6,966 |
| Actuarial gain | (6,335) | (5,912) |
| Benefits paid | (5,121) | (5,346) |
| **Closing value of scheme liabilities** | **152,479** | **156,940** |

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

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Opening value of scheme assets | 153,193 | 155,238 |
| Expected return on plan assets | 8,304 | 6,914 |
| Actuarial loss | (4,023) | (6,113) |
| Contributions by the employer | 2,500 | 2,500 |
| Benefits paid | (5,121) | (5,346) |
| **Closing value of scheme assets** | **154,853** | **153,193** |

The actual return on the scheme's assets over the year was a gain of £4,281,000 (2013: gain of £801,000).

## 19 NSPCC pension schemes (continued)

The following amounts for 2010-2014 have been recognised under the "actuarial gains and losses on defined benefit pension scheme" heading within the statement of financial activities:

| | 2014 £'000 | 2013 £'000 | 2012 £'000 | 2011 £'000 | 2010 £'000 |
|---|---|---|---|---|---|
| Experience adjustments on scheme's assets | (4,023) | (6,113) | 1,776 | 1,501 | 28,950 |
| Experience adjustment on scheme's liabilities | 582 | 7,501 | - | - | 3,796 |

The cumulative amount of actuarial gains and losses recognised under the above heading in the statement of financial activities since 1 April 2002 is a loss of £10,359,000.

## 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 2014 £'000 | Other 2014 £'000 | Land and buildings 2013 £'000 | Other 2013 £'000 |
|---|---|---|---|---|
| Within one year | 113 | - | 163 | 24 |
| Between one and five years | 1,584 | 68 | 1,348 | 60 |
| After five years | 32 | - | 109 | 1 |
| **Total** | **1,729** | **68** | **1,620** | **85** |

## 21 Endowment, restricted and designated funds

| **Permanent endowment funds Charity** | Balance 1 April 2013 £'000 | Incoming resources £'000 | Outgoing resources £'000 | Gains and losses £'000 | Transfers £'000 | Balance 31 March 2014 £'000 |
|---|---|---|---|---|---|---|
| Permanent endowment fund | 1,373 | - | (3) | (5) | - | 1,365 |
| N Knatchbull endowment fund | 10 | - | - | - | - | 10 |
| M Glaister fund | 10 | - | - | - | - | 10 |
| A Sykes fund | 9 | - | - | - | - | 9 |
| **Total permanent endowment funds** | **1,402** | **-** | **(3)** | **(5)** | **-** | **1,394** |
| **Restricted funds Charity** | | | | | | |
| ChildLine restricted funds received by NSPCC | 12 | 7,392 | (7,358) | - | - | 46 |
| Helpline Development Project funded by Child's Voice Appeal | 3 | - | (1) | - | - | 2 |
| Activities to end cruelty to children funded by other restricted donations | 639 | 6,202 | (6,489) | - | - | 352 |
| Capital projects including acquisition of buildings | 6,713 | 243 | (197) | - | - | 6,759 |
| **Details are given below in respect of restricted funds where separate disclosure is required by the funder:** | | | | | | |
| ChildLine and NSPCC Helpline funded by the Department for Education | - | 2,200 | (2,200) | - | - | - |

| **Details are given below in respect of restricted funds where seperate disclosure is required by the funder:** | **Balance 1 April 2013 £'000** | **Incoming resources £'000** | **Outgoing resources £'000** | **Gains and losses £'000** | **Transfers £'000** | **Balance 31 March 2014 £'000** |
|---|---|---|---|---|---|---|
| ChildLine and NSPCC Helpline Development capital funded by the Department for Education | 108 | - | (108) | | - | - |
| ChildLine Foyle Helpline in Londonderry funded by the Department of Education Northern Ireland | - | 260 | (260) | - | - | - |
| New Orleans Intervention Model (NIM) for Infant Mental Health in Scotland funded by the Big Lottery Fund | - | 375 | (318) | - | - | 57 |
| "A Better Start - A Better Future for Blackpool's Children" project funded by the Big Lottery Fund | - | 340 | (340) | - | - | - |
| Therapeutic Services for Child Victims of Sexual Abuse funded by the Ministry of Justice | - | 197 | (197) | - | - | - |
| ChildLine counselling staff costs in Northern Ireland funded by the Department of Health, Social Services & Public Safety (DSSHPS) of Northern Ireland | - | 62 | (62) | - | - | - |
| Domestic Abuse Recovering Together (DART) funded by the Department of Health | 2 | 22 | (24) | - | - | - |
| ChildLine core funding for Wales received from the Welsh Government | - | 80 | (80) | - | - | - |
| NSPCC ChildLine Service in Scotland funded by the Scottish Government Third Sector Early Intervention Fund | - | 158 | (158) | - | - | - |
| Child Trafficking Advice Centre (CTAC) funded by Comic Relief | - | 36 | (36) | - | - | - |
| **Total restricted funds** | **7,477** | **17,567** | **(17,828)** | **-** | **-** | **7,216** |
| **Total restricted and endowment funds** | **8,879** | **17,567** | **(17,831)** | **(5)** | **-** | **8,610** |
| **Designated funds** | | | | | | |
| **Charity** | | | | | | |
| Freehold and leasehold properties | 20,773 | - | (1,582) | - | 2,902 | 22,093 |
| **Total designated funds** | **20,773** | **-** | **(1,582)** | **-** | **2,902** | **22,093** |
| **Other unrestricted funds** | | | | | | |
| **Charity** | | | | | | |
| General funds | 49,597 | 104,449 | (101,254) | (221) | (5,402) | 47,169 |
| **Total general funds for the Charity** | **49,597** | **104,449** | **(101,254)** | **(221)** | **(5,402)** | **47,169** |
| **Subsidiary companies** | | | | | | |
| NSPCC Trading Company Limited | 30 | 2,899 | (2,899) | - | - | 30 |
| ChildLine | - | 962 | (962) | - | - | - |
| **Total general funds for the Group** | **49,627** | **108,310** | **(105,115)** | **(221)** | **(5,402)** | **47,199** |
| Pension reserve | (3,747) | - | - | 1,247 | 2,500 | - |
| **Total funds for the Group** | **75,532** | **125,877** | **(124,528)** | **1,021** | **-** | **77,902** |

The incoming resources figure for general reserves for the charity excludes the gift aid donation of £1,371,000 from NSPCC Trading Company Limited and the grant of £962,000 from ChildLine.

The transfers from general funds are £2.5m for payments in relation to pensions and £2.9m to designated funds in relation to property additions.

## 22 Analysis of group net assets between funds

| Fund balances at 31 March 2014 are represented by: | Unrestricted general £'000 | Unrestricted designated £'000 | Restricted £'000 | Endowment £'000 | Total funds £'000 |
|---|---|---|---|---|---|
| Tangible fixed assets | 4,572 | 22,093 | 6,687 | - | 33,352 |
| Investments | 44,935 | - | - | 1,365 | 46,300 |
| Current assets and liabilities | 2,035 | - | 529 | 29 | 2,593 |
| Long term liabilities excluding pension reserve | (70) | - | - | - | (70) |
| Provisions | (4,273) | - | - | - | (4,273) |
| **Total net assets** | **47,199** | **22,093** | **7,216** | **1,394** | **77,902** |

Of the Restricted funds represented by tangible fixed assets, £6,370,000 relates to freehold and leasehold property, and £317,000 relates to other tangible fixed assets.

Included in the Restricted funds represented by current assets and liabilities figure is £72,000 which relates to restricted donations to be spent on development software.

## 23 Legacies

The NSPCC has been notified of 1,077 legacies, which have not been included within the financial statements as no notification of impending distribution has been received (2013: 1,003). Of these, 26 per cent are pecuniary legacies which have an average value of £3,635 (2013: 29 per cent £4,472) and the remaining 74 per cent are residuary legacies, which have an average value of £45,024 (2013: 71 per cent £38,996). 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 12 pecuniary legacies (2013: 13) and 153 residuary legacies (2013: 164) 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.

Related party transactions with NSPCC Pension Scheme are disclosed in note 19, related party transactions with the trustees are disclosed in note 4. There were no transactions with other related parties in the year.

# 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**
Unit 7, The Lanyon Building
Jennymount Business Park
North Derby Street
Belfast BT15 3NH
Tel: 02890 351135

**Scotland**
3rd Floor, Templeton House
62 Templeton Street
Glasgow G40 1DA
Tel: 0844 892 0210

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

**North West and Cumbria**
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14 Carolina Way
South Langworthy Road
Salford M50 2ZY
Tel: 0844 892 0252

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

**East Midlands**
Unit 2/2A The Prince of Wales Court
6 Church Street
Old Basford
Nottingham NG6 0GD
Tel: 0844 892 0255

**West Midlands**
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146 Hagley Road
Edgbaston
Birmingham B16 9NP
Tel: 0844 892 0217

**North London and East of England**
1 The Spires
Adelaide Street
Luton LU1 5BB
Tel: 0207 650 3240

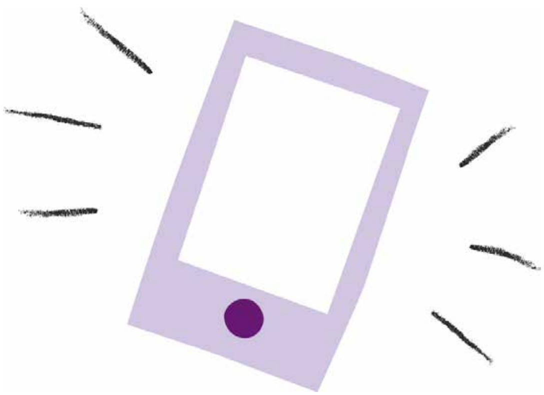
**South London and the South East**
Pear Tree House
68 West Road
Gillingham ME7 1EF
Tel: 0203 188 3944

**South West**
1 Brunswick Road
Plymouth PL4 0NP
Tel: 0844 892 0288



# Give a little. Change a lot.

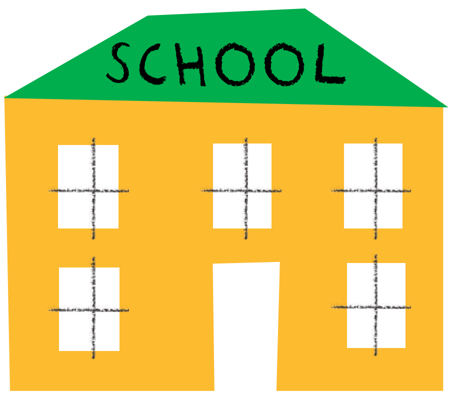
Whether you're donating money, running a marathon or spreading the word about our work, there are lots of ways you can become part of the NSPCC family and join us in the fight for childhood.



Save **0808 800 5000** to your phone and if you're worried about a child, contact us. Our helpline staff are ready to do whatever they can to protect children.

Encourage your local school to use our ChildLine Schools Service or take part in one of our schools fundraising events.

Volunteer for ChildLine or the ChildLine Schools Service – make a difference to children by giving up your time to help protect them.



## Ready, set, fundraise!

There are lots of ways you can raise money for us, including:

**Join your local fundraising branch** – get involved with our dedicated volunteers who give up their time and energy to make a difference for children every day.

**Take part in an event** – from skydives to concerts, to running a marathon – we've got a fundraising event to suit everyone. If you've got an idea for an event, why not set up your own?

**Celebrate and give** – you can help us improve children's lives by asking friends and family to make a donation instead of buying you a gift.

**Leave a legacy** – a gift in your will could help to ensure that we can continue to be there for children in the future.

**Make a donation** – whether you give a one-off gift or sign up to be a regular donor your support will help us to continue our work.

**Play our weekly lottery for just £1 a week** – sign up today for your chance to win a prize – and help children too!

To find out more visit **nspcc.org.uk**

## Some of the ways in which your money could help

**£5** Could buy paints to help a child who's been abused to express their feelings and begin to feel like themselves again.

**£12** Could pay for three children to speak to a ChildLine counsellor.

**£25** Could pay for a trained practitioner to deliver an hour of support through the NSPCC helpline to adults worried about a child.

**£180** Could pay for a practitioner to work with a young, first-time mum for a day through our Minding the Baby service.

**£400** Could pay for the ChildLine Schools Service to talk to one classroom of primary school children about abuse and where they can find help if they ever need it.

**£1,000** Could cover the cost of therapy for one child on our Letting the Future In programme, which helps children and young people overcome the effects of sexual abuse.

Find out more about our work at
**nspcc.org.uk**