

NSPCC

Annual Report
AND
Accounts 17/18



How we're achieving our goals and reaching more children than ever before

EVERY CHILDHOOD IS WORTH FIGHTING FOR

In the fight against child abuse we all have a role to play. Any act, big or small, can make a real difference to a child and create a safer society for all children.



As long as there's child abuse, as long as laws need to be changed to better protect children, as long as any child needs someone to talk to, we will continue to be there, fighting for every childhood.

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From our Chairman

-welcome-

Once again, this year, we have seen strong progress across each of our priority areas of work: working with families suffering adversity; preventing the sexual abuse of children; making sure children can speak out; helping those who have suffered abuse get back on track; and making the UK the safest place in the world to be a child online.

Too often the nature of charitable work results in evidence of progress proving elusive. For this reason we set ourselves clear goals and outcome measures against each aspect of our work.

The impact of our work is perhaps most immediate in schools. This year we visited over 8,000 schools, speaking directly to nearly 1.8 million children in the hope that they will, as a consequence, be equipped to avoid abuse and will know who to turn to and what to say if they need help. These are impressive numbers, but meeting children face to face is no longer enough. Our children and grandchildren live as much online as they do in the physical world. Indeed to them there is no distinction. Childline has been online for some time. This year we supplemented our own presence as a safe place online with vigorous campaigning for effective regulation of the places online where children socialise.

Too many online spaces are not designed with basic child safety in mind. Too much readily available content makes child abuse publically available. The regression from passive voyeur to perpetrator is increasingly clear. Moreover each abusive image is a crime scene. We must arrest the proliferation of these images and inhibit the related practice of grooming our most vulnerable children online. Current default settings are ineffective.

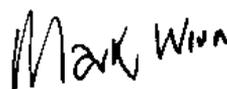
This year we have, though, seen important steps taken towards protecting children. Our #WildWestWeb campaign succeeded in persuading the Government to commit to introducing new law. Later this year the Government will publish a White Paper and we look forward to effective enforcement of constraints we have persistently advocated.

Awareness of the prevalence of all forms of abuse and cruelty has never been greater. Much can be done to intervene and prevent this ill-treatment of children. Yet we continue to struggle to fund our work. We depend on voluntary donations.

This year, despite a drop in income of 7.1 per cent, we have increased our charitable expenditure by £2.4 million. This is to the great credit of our people. We feel intensely the need to work with great diligence to ensure that the generous donations entrusted to us to prevent cruelty to children are put to the best possible use. Over the past decade the proportion of our income spent on the administration has almost halved. Today just 4.6 pence in the pound is spent on support costs.

As a society we depend on charities to address some of our most intractable problems; yet at the same time we are critical of the amount spent on salaries and campaigning. At the NSPCC we can be proud that we have a team of people, well qualified and appropriately remunerated, fighting for every childhood.

My thanks to each one of them.



Mark Wood
Chairman of the Trustees



We've inspired parents to take over 4.5 million actions to keep their children safe online.

From our chief executive

welcome

Childhood shapes who we become. Abuse never should. The extent of child maltreatment remains shockingly high, but it doesn't have to be like this. We, at the NSPCC, are determined to show how, together, we can give every young person the start in life they deserve.

We work to prevent child abuse and neglect

Over the past year we have reached more children than ever before through our pioneering *Speak out. Stay safe.* programme, which delivers safeguarding messages to children in primary schools right across the UK and Channel Islands.

By engaging directly with those children (we have now reached over two thirds of schools), we are helping equip a generation with the knowledge, tools and resilience to prevent abuse from happening. We also work extensively with parents and carers offering age-appropriate ways for them to have difficult but essential conversations about how to stay safe from sexual abuse or abuse online.

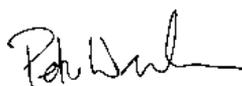
We protect children who have experienced abuse or neglect

For children who have already experienced abuse, it is essential they receive timely support to get their lives back on track. Sadly too many services are available too late, and for too few, treating the consequences of abuse (suicidal thoughts, self-harm, violence) rather than addressing the underlying cause. By sharing knowledge and evidence from our services and by supporting others to replicate them, many more children can receive timely help – reducing the huge personal, social and economic consequences of a failure to intervene early.

We transform society

Through our campaigning work, we have given particular focus to how we can ensure that the online world is a safe place for our young people who spend an increasing amount of time working and playing in digital environments. Our campaign to strengthen grooming laws led to the introduction of a new offence of sexual communication with a child. A year after the law came in to force over 3,000 offences have already been recorded by the police. But each of these crimes is too late for the children involved. We will continue to demand that governments and tech companies recognise their responsibilities and take the necessary steps to design essential child protection into their products and services as we would expect in the offline world, rather than taking action only after young people have suffered.

I would like to thank all of our volunteers, including our Trustees, and our supporters across the UK and Channel Islands who enable us to prevent, protect and transform, and to fight for every childhood.



Peter Wanless
Chief Executive

From our Youth Advisory Board



The Youth Advisory Board (previously known as the Shadow Board of Trustees) is now in its second year. We are young people from across the UK and Channel Islands – some with prior knowledge of the NSPCC and others who are new to the charity. Our mission is to help trustees and senior staff understand what children and young people think about the NSPCC and the impact the charity makes.

As young people we support the NSPCC because we are proud of what they do to help children and young people through their service centres, Childline and *Speak out. Stay safe*. Every year the NSPCC faces new challenges but they always put us first; by continuing to offer these services in new and relevant ways. Within the Youth Advisory Board new members have joined us and some have stepped down. This has provided individuals with the opportunity to grow further in their confidence and help them to influence the decisions that the NSPCC makes.

This year young people have taken part in many events, celebrations and campaigns. Some of the highlights have been talking on the panel at the Chairman's briefing, attending the Annual Council Meeting last October in Leeds, and taking part in local NSPCC events.

Throughout the year many new campaigns have launched successfully with the help of teams from across the NSPCC. These have been supported massively by young people who have been brave enough to share their stories with media channels. One of these was the Childline Annual Report, *Not Alone Anymore* which, among other things, focused on the increase in counselling sessions about suicide. This saw a surge in young people contacting Childline seeking help, after hearing and seeing these stories.

Many young people have been involved in shaping and creating new campaigns such as Childline's 'Understand Me' that focuses on challenging discrimination and helping black

and ethnic minority young people to speak out and get support. Another campaign that launched in November 2017 saw the NSPCC collaborate with other charities and organisations to create *Stop, Speak, Support* – a new anti-bullying campaign. This was designed and created by young people who were involved in a taskforce alongside The Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry.

After the successful publicity of *Little Stars* in 2016, we were really proud to see the NSPCC *Light up Christmas for Children* across many cities across the UK. It saw the return of the silver star badges and limited edition gold versions. As young people we were excited to see the increase in locations bringing NSPCC Christmas slightly closer to home and couldn't wait to get hold of those gold badges.

Last year we saw many adults, children and young people achieve great things through fundraising. From climbing mountains, bake sales, running marathons, skydiving or taking part in a colour run, there was something for everyone. 2017 saw the launch of *Messathon*, a family-friendly messy obstacle course. *We had* to try this out, so a team of us travelled to *Messathon*, took part and got very muddy, but also raised a large amount of money to give back to the NSPCC.

We would like to thank all of those who have supported the Youth Advisory Board during the first two years. But also those who have been supporting all of the work the NSPCC does for children, young people and families.

Whether you are a supporter, volunteer, staff member or fundraiser we hope you know how much of a difference you are making in young people's lives through your hard work and support.

Thank you,
Amelia and Naomi –
Members of The Youth Advisory Board

Over the past year we have reached more children than ever before, through our pioneering Speak out. Stay safe. programme.



what we do

We are driven by the belief that everyone has a part to play in keeping children safe. By working together, we can protect childhoods, prevent abuse, and transform society so it's safer for all children.

Child abuse can take many forms. It can be physical, sexual or emotional, but just as often it's about not providing the things that all children need — like love, care and attention. This is called neglect and we know that it can be just as damaging as other kinds of child abuse.

Abuse and neglect can have devastating effects on a child's development and society as a whole. But when we come together and provide the right support for children and families, we can turn things around. It's never too late to help a child.

In the fight against child abuse we all have a role to play. Any act, big or small, can make a real difference to a child and create a safer society for all children. That's why we're here — to bring people together to protect children at risk, help those who have experienced abuse get back on track and find the best ways of preventing abuse from ever happening.

**Child abuse changes childhoods.
But, together, so can we.**



Our strategy...

to make 5 million
children safer.

1.

March 2018 marked the end of year two in our five-year strategy to make 5 million children safer by 2021. And, already, we've helped just over 3.7 million children. But we're determined to achieve even more. To know that we're making a difference, we measure our progress against five goals:

Prevent child abuse in families facing adversity.



We'll know we're making progress if:

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

2.

Prevent child sexual abuse.



We'll know we're making progress if:

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



3.

Help children speak out and adults take action about abuse.



We'll know we're making progress if:

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

4.

Help abused children get back on track.



We'll know we're making progress if:

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

5.

Make children safe from abuse online.



We'll know we're making progress if:

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

In order to reach our goals and make more children safer, we're investing in innovative services and solutions. We also work with organisations and policy makers across the country, sharing our knowledge so that what we learn benefits children way beyond what we can achieve on our own. Here, we have outlined some of the key ways in which we work. In the following sections, we have highlighted what we, and those we work with, have achieved against each goal in this past year.

Delivering services across the UK and Channel Islands

We work directly with children and families at our service centres across the UK and Channel Islands, developing innovative services that are crucial in our fight for every childhood. From providing therapeutic services to help children rebuild their lives, to preventative programmes aimed at building bonds between parents and children, we're on the frontline – helping children and families.

Learning and sharing what works

Of course, our work goes beyond the frontline work that we do with families. We're committed to using an evidence-based approach to help children, so carrying out research and evaluation is at the heart of what we do. After developing our services we test them at every stage, learning what works best and sharing our learning with others, to help keep more children safe.

And at a time when the sector is facing growing demands, more complex cases, and fewer resources, we have also prioritised the support that we provide to smaller organisations. We provide resources, guidance and tools, and support other organisations to develop their own evidence bases.

Campaigning and influencing policy

We develop national and local campaigns to have an impact for children. Our political campaigns lobby governments and other bodies for changes in law or investment. This year we launched our Are You There? campaign, calling for recognition and investment for the early mental health support that Childline provides. We also run behaviour change campaigns like Talk PANTS, and fundraising and awareness campaigns supported by our volunteers, to make children safer in society and the communities they live in.

Teaching children to stay safe

One of the aims of our Schools Service is to teach children how to keep themselves safe from abuse. Through our *Speak out. Stay safe.* programme, we're equipping a generation of children with the knowledge and understanding of what abuse is and how to get help. This year we've reached over 8,000 schools and over the next year we will be working towards reaching every primary school in the UK.

Helping children and adults in need

Our helpline provides help and support to any adult who's concerned about a child. This year, our helpline responded to over 65,000 contacts from people who were concerned about a child's welfare. And, through Childline, we are there for any child who needs a place to turn. Both Childline and the NSPCC helpline are open 24 hours a day, 365 days a year – helping children when they need it most.

We also work with organisations and policy makers across the country, sharing our knowledge so that what we learn benefits children way beyond what we can achieve on our own.

.....
Our Talk PANTS resources for schools has enabled teachers to reach over



7,000 children in Hounslow

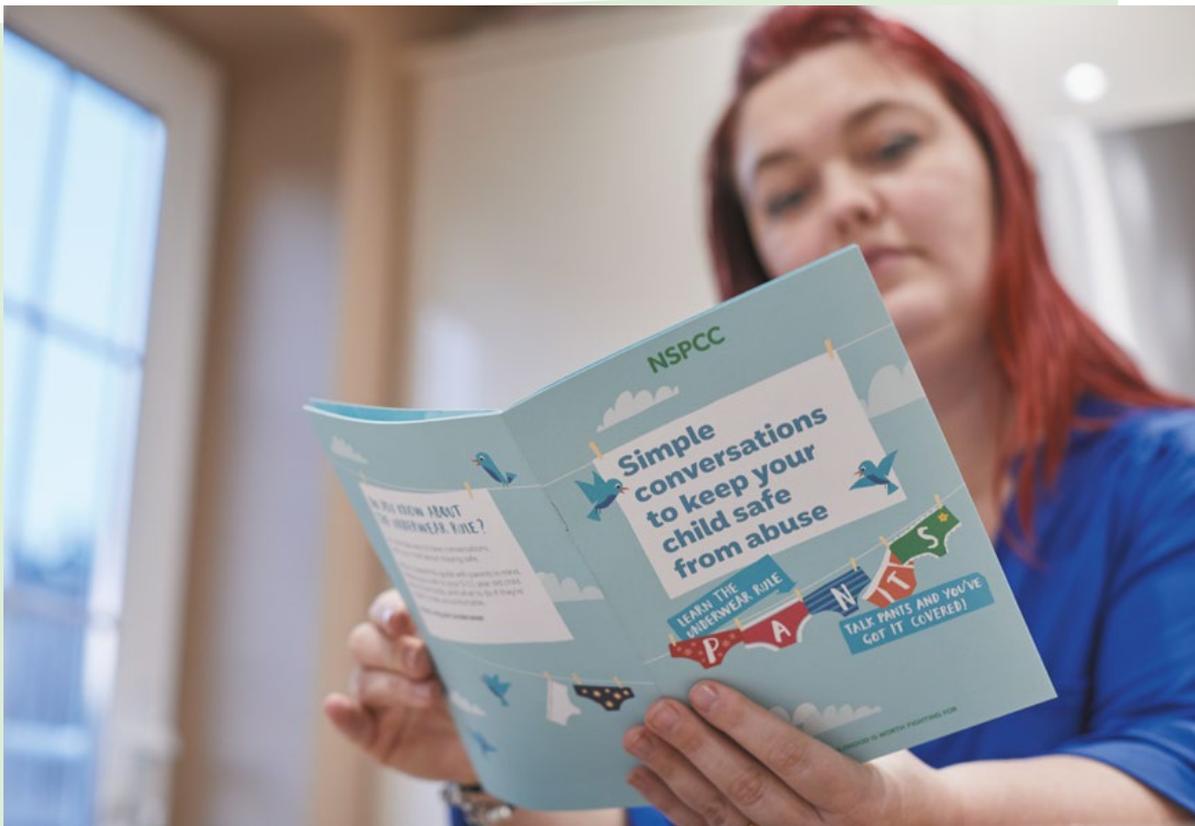
Strengthening safeguarding practice across the sector

We want to make sure our safeguarding expertise is available to the sector as a whole, as we believe we have a key role to play in strengthening safeguarding across the UK and Channel Islands. We offer a range of resources and support to larger organisations, including service commissioners, as well as many smaller voluntary and community groups.

Our support ranges from free resources to help improve safeguarding arrangements, including publications and self-assessment tools, to training and consultancy for networks of staff and volunteers in roles that have the greatest

influence on children. We also make training available to organisations with limited capacity, through a proportion of our own ring-fenced funds. Weekly email updates from our Knowledge and Information Service also provide additional information on key relevant safeguarding topics for professionals working with children.

This year, we have created the NSPCC advisory group on safeguarding support to the voluntary and community sector, which is chaired by Peter Wanless. The group comprises representatives from smaller organisations as well as national groups from a range of backgrounds across the UK and Channel Islands.



Prevent child abuse in families facing adversity

goal 1. ↗

By working with families in difficult circumstances, we're helping to provide the support they need to manage their problems and reduce the risk of abuse in the face of adversity.

All sorts of challenging circumstances can overload our capacity to care for children, and this creates significant risks for child abuse and neglect. Money problems, substance abuse or mental health issues can all impact on our ability to put our children first. We're helping parents and communities to manage these pressures so children have a more stable environment to grow up in.

* Helping families to get early help

We know that the earlier families receive the right support, the better the outcomes for their children.

Supporting parents to keep their recovery on track

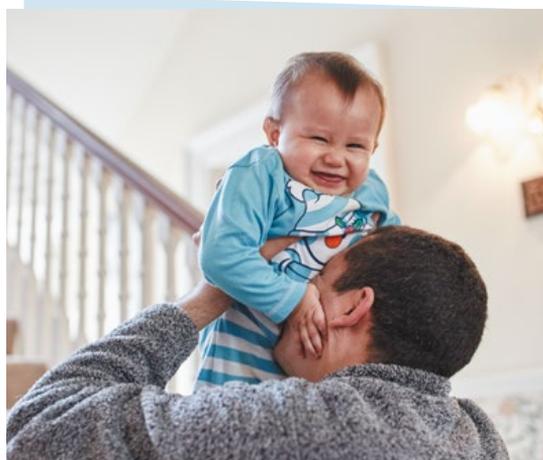
Parents Under Pressure™ supports parents who are on a drug or alcohol treatment programme, helping them to develop secure and healthy relationships with their children. Through home visits, tailored to the needs of the family, we've been helping families develop strategies to deal with challenging behaviours and manage their own emotions.

This year, our evaluations found that Parents Under Pressure™ had a positive impact on the wellbeing of the parents and children who took part. Compared with a group who received alcohol or drug treatment but did not take part in the programme, we found that children whose parents had taken part were at less risk of abuse.

Supporting other organisations to reach more families

Following a successful evaluation of our Baby Steps programme last year, we have supported other organisations to replicate the service – a process called scale-up. By helping other organisations to deliver this group programme, aimed at building parents' skills and confidence, we're reaching more families than we could do alone.

We've had an additional four agencies trained in delivering Baby Steps, meaning that the programme has now been scaled up in eight sites. Through our evaluation process, we know that it's a highly valued programme that has a real sense of helping families. Baby Steps can help equip parents to provide sensitive, responsive care to their babies, which may ultimately result in these children having better long-term outcomes. Training for practitioners has been well received and the programme has worked best where there was a dedicated Baby Steps team. We've also identified some barriers to implementing the programme and have an action plan to address them and improve the success of the scale-up process going forward.





Campaigning in Wales

Take 5 / Camu'n ôl am 5 is our new bilingual campaign, launched in Wales to help parents of young children deal with challenging parenting situations when they feel like they might reach the end of their tether. In October, we held a launch event with BT Sport presenter, Sarran Elgan-Easterby, who spoke about her own positive experiences and challenges of parenting.

Take 5 was developed in partnership with parents at a Flying Start children's centre in Ebbw Vale in the South Wales Valleys. It uses a simple, easy to remember message: Stop. Breathe. React calmly. Alongside the campaign, we have also published positive parenting advice on our website, distributed posters and leaflets in public places across Wales, and have developed Facebook ads to help the campaign reach more parents in Wales.

This comes after research from the Welsh government found that 44 per cent of parents reported they may smack their child in certain circumstances, but only 4 per cent of parents are comfortable with the idea. This shows a willingness in parents to avoid smacking, and our campaign provides the support for parents to take a calmer approach. Take 5 reminds parents to pause before they act and help move them from a state of anger to calm.

*Working in partnership with communities to fight child abuse together

We know that we have to work together to support families facing adversity. Schools, children's centres, and other agencies provide support to families in different ways and the informal support that friends, families and neighbours give to each other is important too. That's why we're working in partnership with communities.

Using research to tailor our services

We know there are families that don't find the services currently on offer in their community welcoming, and who don't receive much support from their informal networks either. We wanted to find out how we can improve services and support

stronger communities by understanding these families and their lives from their perspective. By conducting research in a particular local area, we've gained a better understanding of the day-to-day life of families who don't usually engage with us, and what we could do to be more welcoming to them.

The findings from this research are informing a wide range of services in local areas, so that we can improve the support that we offer. We're also working to ensure that the informal support that residents in the community offer to each other is accessible.

Bringing communities Together for Childhood

Together for Childhood is a place-based approach that brings the community together to prevent child abuse, in Grimsby, Glasgow, Stoke and Plymouth. This year we have seen the hard work that went into developing the service pay off as we have put things into action.

Delivery has begun in our first Together for Childhood site in Grimsby, which has a memorandum of understanding, a multi-agency steering group, and has selected its focus locations. This site will be focusing on domestic abuse, engaging men, and developing a trauma-informed workforce. In Glasgow, Govan has been chosen as the focus location, the initial multi-agency steering group has taken place, and the memorandum of understanding is pending final sign off. Meanwhile, in Stoke, we've already chosen two specific sites for focused activity which will be dedicated to preventing child sexual abuse and working towards goal two. We're hoping to see delivery starting in more sites next year and we are committed to working in all sites for at least ten years. Evaluation will be an on-going process and the learning from the project will help add to the evidence base of what works in preventing child abuse and neglect.

Working in partnership with statutory bodies, the community and the voluntary sector we're learning from others and sharing our learning in these four sites. This is creating real opportunities to change the lives of children and families for the better.

* Case study: Better Start



In 2016, we began delivery of the Blackpool Better Start partnership, led by the NSPCC alongside the local authority, NHS Blackpool Clinical Commissioning Group, Hospitals Trust, Police and community. Better Start aims to transform services for prebirth to three-year-olds and to engage and support parents during this critical stage of a child's development.

Outcomes for children in Blackpool are poor and children are often born into adverse family circumstances. Funded by the Big Lottery, we're working to help break this intergenerational cycle of poor outcomes, and providing children with a solid foundation to build on in life.

This year, we've seen progress across the various programmes delivered at the Better Start site, and have a number of highlights across three key areas.

Expanding services

The new health visiting service launched at the Better Start site after two years of planning, review and consultation. This has included designing new services with health visitors and experts, piloting new assessments and interventions, and training more health visitors.

We've also designed and commissioned Talk With Me through Communicate – a social enterprise providing speech and language therapy services. Home visiting is being delivered to children identified as having poor speech and language abilities through a new assessment tool being used by health visitors.

Volunteer and staff training

The Volunteer Academy is a programme investing in and supporting volunteers to raise volunteering standards across early year resources in Blackpool. After securing the funds last year, the project now has over 150 established volunteers, involved every month in Better Start projects.

We have continued to develop nurseries in the area, delivering training for supporting children with special educational needs and seeing the first three nurseries achieving the Better Start quality mark status.

This year has also seen staff trained in and delivering Mellow Dads. It's a group parenting course for fathers that uses reflective and practical techniques to help them address their own personal challenges and develop their relationship with their children.

Reaching parents

This year, our Being a Parent course was launched to help parents learn practical communication skills to bring up confident, happy and cooperative children. Run by parents and for parents, this peer delivery model has so far been delivered to 71 parents.

52 dads have attended Fathers Reading Every Day – a service that was developed in partnership with the Fatherhood Institute, after research showed how beneficial this is for educational outcomes, self-esteem and relationships. The fathers have gone on to establish a Dads' group, which continues to grow.





Prevent child sexual abuse

↑ goal 2.

Child sexual abuse is preventable. Through increasing public awareness of child sexual abuse and stepping in early to support children with harmful sexual behaviours, together we can fight to end child sexual abuse.

We're focusing our efforts on developing early interventions and increasing the evidence of what works in prevention. We're also making sure there's increased public belief that sexual abuse can be prevented and people who work with children are more confident in preventing child sexual abuse.

* Supporting schools to prevent sexual abuse

We know that working with schools is a key area for preventing sexual abuse, but teachers must be given the right support to make the most of this opportunity.

Tackling sexual harassment earlier

Sexual harassment and dating and relationship violence is a serious issue and we're committed to preventing it. Schools are an ideal place to target prevention programmes, as this is where young people socialise and where gender norms are established. They are potential platforms to challenge dating and relationship violence. Through Project Respect, we've been working with four secondary schools to reduce sexual harassment in schools and sexual abuse in young people's relationships. In the next phase, we will be rolling the programme out to more schools.

The programme provides training for teachers to prevent, recognise and respond to abuse. Senior leadership staff are also provided with training to help them review and improve school rules and

policies around sexual harassment and violence. We've made an app, Circle of 6, available to help young people contact friends or the police if they feel threatened or have experienced this type of abuse. A classroom curriculum has been developed for students aged 13-15, made up of six sessions in year nine and two follow-up sessions in year ten. Lessons consist of five key elements:

- Defining healthy relationships and interpersonal boundaries.
- Challenging gender norms and mapping hotspots in the school.
- Reviewing local campaigns and empowering students to run their own.
- Communication and anger management skills relating to relationships and intervening as bystanders.
- Accessing local services relating to dating and relationship violence.

Increasing teacher confidence

In November 2017, we launched *Managing sexualised behaviour in primary schools*. This online learning course is designed to give anyone working in primary school the skills and confidence to assess and sensitively manage incidents of sexualised behaviour. So far this year, we have sold 5,800 licences to schools across the UK. Through this course, and resources such as our 'preventing sexual abuse' animation, which had over 41,000 views, we're aiming to increase confidence in preventing child sexual abuse. This year, we met one of our targets for increasing professional confidence in tackling child sexual abuse, with 56.3 per cent of professionals telling us they are confident in preventing sexual abuse. However we fell short of our target for the proportion of professionals who agreed that they would know what to do if they saw a child at risk of sexual abuse, with 84.2 per cent of respondents agreeing with this statement, as opposed to the 92.8 per cent we were hoping for.

*Joining forces with local areas to prevent child sexual abuse

By working together with local areas, we can build a stronger picture of what works best to prevent child sexual abuse. We can share knowledge and reach children in the community.

Raising awareness of exploitation

We've heard more local areas saying 'It's Not OK' to the sexual abuse and exploitation of children and young people. After its success in York, we launched the year-long It's Not OK campaign in Sheffield with Sheffield Children's Safeguarding Board and, in Bassetlaw, with New Roots – a social housing provider for vulnerable young people. The campaign educates and supports young people, parents and professionals to spot the signs of abuse and know where to go for help.

Sexual abuse survivor Sammy Woodhouse spoke to students at the launch event in Bassetlaw about how she was targeted, manipulated and sexually exploited as a teenager in Rotherham. She said:

"THIS WAS MY FIRST TIME SPEAKING DIRECTLY TO YOUNG PEOPLE ABOUT MY EXPERIENCES. BY ALERTING YOUNG PEOPLE TO THE SIGNS OF GROOMING HOPEFULLY I CAN TURN MY NEGATIVE EXPERIENCES INTO SOMETHING POSITIVE."

"THERE IS BETTER AWARENESS TODAY BUT WE STILL HAVE TO EDUCATE YOUNG PEOPLE, ESPECIALLY NOW THAT SOCIAL MEDIA HAS OPENED DOORS FOR PAEDOPHILES AND ABUSERS."

It's Not OK is increasing confidence in preventing child sexual abuse among people who work with children, and increasing public belief that child sexual abuse can be prevented, helping us towards our goal of preventing child sexual abuse.

Reaching children with special educational needs

Love. Life. is a new performance aimed at young people with special educational needs which tackles tricky topics such as consent, sex and feelings. It is running alongside the It's Not OK campaign in Sheffield. As well as positive feedback received from young people, parents and professionals working with young people are delighted that these subjects are being addressed in a way that enables them to continue these important conversations after the actors have left. The campaign also supports professional partners in the city and the local press have given their backing by featuring a number of articles about all the work going on.

*Empowering through resources

By creating and building on the resources we have to help people tackle child sexual abuse, we can empower people to prevent it and help them believe that it is possible.

Talking PANTS with more children

Talking PANTS at a local level

Building on the success of our national Talk PANTS campaign, this year we have seen a wide number of local campaigns run in response to local needs and in partnership with local agencies.

For example, a local PANTS campaign with Hounslow Safeguarding Children Board (HSCB) and Hounslow Council brought together schools, professionals, and community and faith groups through a series of parent workshops, local events and professional workshops to embed Talk PANTS within classrooms, workplaces and homes.

Working with our local partners we talked to over 1,500 parents, empowering them to have conversations with their children and made sure they know about our two-page PANTS conversation FAQs, which provide further support and advice.

We also produce Talk PANTS resources for schools and this year we've enabled teachers to reach over 7,000 children in Hounslow.

Launching more resources

This year we launched the Playtime with Pantosaurus app on iPhone and Android. Featuring four mini games, children can compete against Pantosaurus and friends whilst also learning the PANTS messages to keep themselves safe. The Welsh versions of our Pantosaurus film and song were also launched in May 2017 at the Urdd Eisteddfod festival, one of Europe's largest youth festivals. 24 pupils at Ysgol Gymraeg Llundain (London Welsh School) recorded the vocals, helping to make sure that more of our materials are available in the Welsh language for parents to use with their children. Resources like these are just one of the ways that we're helping to increase public belief that child sexual abuse can be prevented. This year 50 per cent of people said they believed it could be prevented (that's more than the 45 per cent last year and more than our 47 per cent target for this year).

Harmful Sexual Behaviour Framework

In 2016, we developed a framework to help local areas develop and improve multi-agency responses to children displaying harmful sexual behaviours. The vast majority of young people displaying these behaviours have themselves experienced abuse. The Harmful Sexual Behaviour Framework was developed in partnership with Research in Practice and Professor Simon Hackett, to provide an evidence-informed approach to working with young people displaying these behaviours.

Through the development of clear policies and procedures, local practice guidelines and assessment tools, our aim is to develop a more coordinated and consistent approach to tackling this issue, which recognises both the risks and needs of children displaying harmful sexual behaviours.

This year we have been working with 11 local areas, supporting them to implement the framework. This early-adopter programme will help us to evaluate our support package and improve the service as we offer it to a wider market.



Help children speak out and adults take action about abuse

goal 3. ↗

Knowing how to look out for the signs of abuse and neglect, and having a place to turn for advice and support helps adults take action about abuse. For children, understanding that abuse is never OK and knowing how to get help can empower them to speak out.

This year we're continuing to reach out to children and adults to educate them about abuse and support them to speak out. We've been concentrating our efforts on three key areas.

* Reaching out to adults

How Safe conference

This year, our annual flagship conference, *How Safe are our Children?*, was our biggest to date. The conference is a two-day event that provides child protection professionals, politicians and public figures with the opportunity to debate, question and share the latest developments in child protection, in order to do more to keep children safe.

In June 2017 we brought together over 90 speakers and 350 delegates to put the spotlight on the following themes: child safety online, adverse childhood experiences and place-based transformation, child sexual abuse, and creativity and ending abuse. Highlights of the conference were interview-style sessions with Rochdale whistleblower Sara Rowbotham, and classical pianist James Rhodes, both producing standout moments of the conference. Young people also played an integral part in the conference, presenting at many points over the course of the two days.

Parents in Sport Week

This year, the Child Protection in Sport Unit coordinated the second annual Parents in Sport Week. The event aims to engage with parents and celebrate their role in providing positive sports experiences to children and young people. Building on the success of our first campaign in October 2016, this year saw the busiest week we have seen on the CPSU website with a total of 13,343 page views. In the wake of the media attention on abuse in sport it's really important that we are able to help parents understand what they should look for in a sports club and how they can approach asking key questions about its approach to safeguarding.

* Reaching out to children

Working with schools to deliver services

Speak out. Stay safe.

We've delivered our *Speak out. Stay safe.* programme to over 8,000 primary schools this year, reaching almost 1.8 million children and surpassing our target by 18 per cent. The programme was developed for years 1 – 6, but after increasing demand from schools, we have expanded to deliver to children in early-years groups. Through an assembly and classroom activities, we're improving children's knowledge and understanding of abuse and neglect, and empowering and motivating children to seek help when they need it. We have now reached around two thirds of schools in the UK in the last two years, and next year we will continue to reach those schools that we haven't yet visited.

Keeping Safe

Keeping Safe is a preventative education programme we're piloting between 2015 and 2018 in partnership with the Department for Education in Northern Ireland. The project is currently working with 70 schools.



* **Case study:**
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**Reaching Special
Educational Needs
and Disability
(SEND) schools**

This year we have seen a real drive to reach SEND schools across the UK. We've redesigned our activities and materials to help us better meet the needs of this group of children. Using a collaborative approach, we have worked with SEND schools to make sure our services are delivered in the most effective way. This work has helped us to reach 59 SEND schools in the UK this year, meaning we've reached 2,262 children.



We know that working with schools is a key area for preventing sexual abuse, but teachers must be given the right support to make the most of this opportunity.

.....
We've delivered our *Speak out. Stay safe.* programme to over

8,000

primary schools this year, reaching almost **1.8 million children**

.....
Our Childline website exceeded its target number of views by

78%

The five-year programme takes a whole school approach to teaching age appropriate messages to keep children safe from all types of abuse (bullying, neglect, physical abuse, emotional abuse, sexual abuse, and domestic abuse). This year the programme is being taught to approximately 6,701 children aged 4-11 years in primary schools by 312 classroom teachers. Their parents are engaged in the programme through directed homework activities and parent workshops. From September, a further 248 teachers will receive training to teach the programme in their classrooms to a further 6,808 children and engage their parents.

It's built on an evidence base that demonstrates significant gaps in children's knowledge and understanding about issues such as sexual abuse and domestic abuse. We also know that both teachers and parents are keen for children to be taught keeping safe messages, but do not always have the training or support to do so.

Keeping Safe therefore aims to give children the knowledge and skills they need to keep themselves safe and to help schools and parents deliver messages to facilitate this. The programme includes age appropriate lessons and tailored school assemblies, as well as staff guidance on how to reinforce safety messages to children of all ages. Classroom resources have been designed around three themes: healthy relationships, my body, and being safe.

Improving the curriculum to keep children safe

Relationships and Sex Education (RSE)

Last year the government took a hugely important step, and passed legislation to introduce mandatory RSE into all English secondary schools, and relationships education into all primary schools. Despite the legislation also allowing for Personal, Social and Health Education (PSHE) to be made mandatory, they have not yet taken this step.

This year, we have provided evidence to the government on what should be included in new guidance for schools. This guidance will cover what children should be taught in these subjects, and how they should be taught. Relationships and sex education is a vital tool to support children as they navigate the everyday challenges that come with growing up. We've seized this opportunity to make sure that all children will have the chance to learn to keep themselves healthy and safe.

Working with the PSHE strategic partners group, including organisations such as the PSHE Association, British Heart Foundation and Red Cross, we have also been lobbying for the government to make PSHE compulsory. RSE is most effective when delivered as part of a broader PSHE curriculum, and whilst many schools already do this, we want to make sure no child is left without the chance to explore broader topics, such as learning how to look after their mental health and wellbeing.

PSHE teaching resource guidance

In partnership with the PSHE Association, we have developed a series of age appropriate lesson plans to act as guidance for teachers. The set of lesson plans, called 'Making sense of relationships' is aimed at pupils aged 11-16 and explores issues relating to personal safety and wellbeing, healthy and unhealthy relationships, the influence of social media on wellbeing, consent, recognising abuse, and sexting and pornography.

These resources meet the PSHE association quality assurance mark and reinforce our commitment to helping young people recognise the signs of abuse, know how to protect themselves and know how to get help. We will be promoting the resource through websites, social media, our safeguarding and education update, and the PSHE association member schools.

* Providing support through Childline and our helpline

Childline

Childline has continued to be there for children 24 hours a day, 365 days a year. Our Childline website exceeded its target number of views by 78 per cent, with over 180,800 more 30 second page views than expected. Our discrimination campaign in March 2018 brought 40,000 page views, with a 73 per cent increase in visits to the 'Your Rights' page about bullying, abuse, safety and the law. Our Childline counsellors also delivered almost 280,000 counselling sessions to children, on topics ranging from mental and emotional health and wellbeing, to sex and relationships, and abuse and neglect.

The Normington Review

The seriousness and complexity of the issues that children are contacting us about, along with the number of contacts, is putting our Childline service under increasing pressure. That's why we commissioned a review of the service. NSPCC trustee Sir David Normington chaired the review to identify how to better match the scale and quality of Childline to the needs of children and young people.

The review highlighted Childline as a 'precious and vital service' to children and young people and presented a number of recommendations to be delivered. Over a two-year programme, these recommendations will help to increase resilience and consistency of the service, as well as improving the quality of interactions with children and young people.



Updates to Childline recording systems

Our new case recording management system was installed in February, to help Childline improve the quantity and quality of recording. This new case recording software was part of a wider update, including moving data centres, replacing phone systems and upgrading the contact centre system. This year, over 200 staff and 1,400 volunteers have been trained on the new systems, helping towards a smooth switch.

Launch of the Childline app

'For Me' is the first app to provide counselling to young people in need of help directly through their smartphone. In response to the urgent need for young people to have easy access to confidential advice and support, the app was developed in partnership with Barclays and was downloaded over 1,500 times within three months of its launch. 'For Me' provides 1-2-1 chats with counsellors, 'Ask Sam' problem pages and a private locker, where young people can track their mood and write down their thoughts.





NSPCC helpline

Providing support for Greater Manchester

After the terrorist attack on Manchester Arena in May 2017, we were approached by the mayor of Greater Manchester to operate a helpline service for anyone affected by the terror attack. The helpline was part of a review into the preparedness for, and response to, the attack. Our involvement helped bring an important safeguarding focus to the review.

Helpline development programme

We have been working with Plymouth children's services to explore ways to work together with multi-agency partners. The project's aim was to localise the NSPCC helpline service for Plymouth residents, increase public awareness of what the helpline offers, and provide tailored referral, signposting, and advice to Plymouth residents. The project concluded this year and we're excited to see what our evaluation will tell us about the impact we're having on children.

It's Your Call

Inspired by the true story of an engineer who visited a family home, recognised a potentially dangerous situation for a child and called the NSPCC helpline, we launched 'It's Your Call' in January 2018. It's Your Call is an innovative, engaging and powerful 15-minute online learning course, aimed at UK employers and employees who enter homes as part of providing their services. The course aims to give employees who may witness the signs of possible child abuse or neglect the conviction to report their concerns. This is just one example of our many training and safeguarding tools, which have been accessed over 400,000 times this year, exceeding our target by 21 per cent.



Helping abused children get back on track



We're championing improved mental health services and a criminal justice system that takes into account the needs of children who have been abused. Together, we can make sure that children have the support they need to get back on track.

We are dedicated to making sure that mental health services are meeting the needs of children who have been abused and neglected. These services play a key role in providing support to help children who have been abused to rebuild their lives. But, too often, children slip through the net and are left to reach crisis point before they can access support. We know that if the needs of children who have been abused are considered when planning services, we can help more children to get the help they need, when they need it.

* Improving systems to make sure services meet the needs of children

CCG engagement events

Since 2015, clinical commissioning groups (CCGs) have been required to produce local transformation plans, which are refreshed each year, setting out how they will work to improve children and young people's mental health services in their local areas. But we found that the needs of children who have been abused or neglected were being overlooked when CCGs were planning services.

Through engagement events in London, Salford, Newcastle and Birmingham, we reached a range of professionals through workshops. This work is crucial in making sure that the impact of abuse is understood and considered by the people who plan and deliver mental health services for children.

Since the workshops, we've continued to work in partnership to make sure the needs of children who have been abused and neglected are considered as a priority. We've published a toolkit for professionals, to share best practice and make sure more services are equipped to meet the needs of children.

Already, we have seen a slight increase in the percentage of refreshed plans that carried out a needs analysis to inform their service design. And we've seen a significant improvement in the number of plans that recognise some children and young people have an increased vulnerability to mental health problems, including children who have been abused and looked after children. We know that better understanding of need leads to better provision for children, so this is a positive step.

Are You There? campaign

In January 2018, we launched our Are You There? campaign, calling for recognition of the increasingly important role that Childline plays in providing early mental health support for children and young people. One in three Childline counselling sessions relate to mental and emotional health and wellbeing and in 2016/17 the service delivered over 22,000 counselling sessions to children who were suicidal. The campaign achieved over 22,000 signatures, exceeding our target, and delivery of the petition to 10 Downing Street will take place in May with Childline ambassadors.

Are You There? was in response to a government consultation that pledged to improve mental health provision for children and young people in schools. We know that Childline receives the highest number of contacts from children in the evenings, yet the government's proposals do not do anything to support children outside of school hours. That's why Are You There? calls on the government to increase investment in Childline.



One in three

Childline counselling sessions relate to mental and emotional health and wellbeing.

Childline service delivered over

22,000

counselling sessions to children who were suicidal.



Funding will help us to recruit and train more volunteer counsellors and increase the amount of online resources to help ensure more children receive early mental health support when they need it.

To support the campaign, we hosted an event in parliament, giving young Childline ambassadors the opportunity to tell MPs why Childline is important. Over 40 MPs attended to show their support for the campaign, an important step in building relationships that will help us to continue lobbying the government.

We're excited about the support and the momentum that the campaign has gained and will continue working to make sure children have somewhere to turn any time of night or day.

*Running services to help children in care get back on track

Support for foster carers

Over 60 per cent of children in care in England and Wales are there because of abuse or neglect, which can have implications for their health and development – including their emotional wellbeing and consequent behaviour. That's why we're running a number of services that help to meet this group of children's emotional and therapeutic needs.

In collaboration with the Anna Freud Centre for Children and Families, we're developing a new intervention for foster carers. Our Reflective Fostering Programme supports foster carers to build strong and positive relationships with their foster children to help promote placement stability and support the child's healthy emotional and behavioural development. Early evaluation findings from two pilot sites in Sheffield and Gillingham are showing improved outcomes for both carers and children. Feedback from foster carers highlights that they found the groups supportive and different to the other support available to them. Over the next year, we'll continue to develop the programme and contribute to the evidence of what works for children in care.



* Case study: Helping children in care understand their Life Story

We're also working to help children in care build a clear sense of their identity and better understand the history of their life. Through our service, Life Story, children are supported to reflect on their experiences and relationships, to better understand and accept the past and equip them with the skills they need to move forward.

How the service works

- The Life Story team support young people aged 10 to 17, who may have had multiple placements and who may not have a clear history or understanding of why they came into care.
- Throughout the process, the team help children to understand their journey and family history. Social worker case notes, photos, milestones, achievements and anecdotes are used and shared appropriately to help children build a picture of their history.
- The service provides a supportive environment for young people to learn how to recognise, express and understand their feelings – both good and bad – and build the skills and resilience to manage difficult feelings.
- A key part of the Life Story work celebrates children's strengths and achievements, enabling them to build a positive sense of self.
- Over a period of up to nine months, young people will attend around 16 sessions, during which time they will produce their own Life Story book, which they can continue to use going forward.

.....
↑ 60%

of children in care in England and Wales are there because of abuse or neglect.

What we have achieved this year

After the successful implementation of the service in Nottingham last year, we have rolled Life Story out as a pilot in our Liverpool service centre. By continuing evaluation on a small-scale pilot, we're developing our understanding of how it can be best implemented in other areas. Feedback from children and carers highlights how they have valued the consistent support they have received from the project, including being listened to and being helped to explore their background safely.

What we can expect from the evaluation

Following further development work, we will carry out an impact study to evaluate the positive impact the service has for children. We want to understand more about what positive changes can be attributed directly to the service and to find out if this can be generalised to the wider population of children in care.



*Collaborating with other organisations to help more children get back on track

Building evidence bases

We're committed to making sure the best evidence is available to help support children after abuse. We recognise the important role that smaller organisations can play in responding to the needs of their communities and that's why we decided to offer support to three organisations working with children. With our support, these charities will be able to develop their evidence base on what works in helping children to get back on track after experiencing abuse.

- **The Art Room** helps children aged 5 to 16 with emotional and behavioural difficulties. Using art, children are supported to express their emotions. By building relationships with practitioners and other children in the group, children develop their social skills and gain self-confidence, in a safe and nurturing environment, helping them to improve their mental health following abuse and neglect.
- **Start 360** works with young people affected by parental alcohol misuse, who may have mental health or substance misuse issues of their own. Working in partnership with young people, a range of therapeutic tools are used to help them make the changes they want to make and get to where they want to be.
- **Off the Record** is a counselling service that helps children who have experienced sexual abuse or sexual exploitation. Helping children to re-build their relationships, self-esteem and resilience, the service supports children in developing a plan to help them get back on track.

Child House

In February this year we were awarded a contract, alongside University College London Hospital NHS Trust and the Tavistock and Portman NHS Trust, to deliver services from the UK's first Child House, which is being developed at the NSPCC premises in Camden, with funding from the Home Office, NHS England, the Mayor's Office, the Department for Education and with support from Morgan Stanley.

The idea of the Child House comes from the Barnahus model in Iceland and other Nordic

countries, as well as from the development of child advocacy centres in North America. Too often, services for children who have been sexually abused are fragmented and uncoordinated resulting in poor recovery outcomes for children and young people. The Child House brings all services together under one roof, from initial medical examination, to the Achieving Best Evidence interview and assessment, court support and preparation, treatment, and advocacy. Learning from this model elsewhere shows that justice for child victims can be secured more quickly and they can receive the help they need at the time and in the way they need it.

Planning and refurbishment works are underway and the Child House will be open to see the first children in September 2018. This is an exciting opportunity to develop and test an innovative, collaborative multi-agency service. With the support of Morgan Stanley, Child House has the potential to make a significant positive difference to the lives of children who have been abused and exploited.

Criminal justice work

We're determined to make sure children are supported to access justice in a system that puts their needs first.

For too many children, experiences of going through the justice system can be stressful and sometimes re-traumatising. Court buildings can be very intimidating and many young people fear bumping into the defendant or the defendant's family. We've been working hard to improve children's experiences of the criminal justice system, to give children the best chance of getting back on track after abuse.



* Case study: Young Witness Service



We've been running our Young Witness Service across four different sites in Northern Ireland. We provide support and advice for children going through the justice system, to make sure they can give their best evidence in the least distressing way. This can be anything from accompanying children to visit the court ahead of the trial so they know what to expect, to answering any questions they might have, to providing support both during and after the trial.

We also work with professionals to make sure that children's needs remain a priority throughout the trial. Special measures can be taken by courts to help make experiences better for vulnerable witnesses. This includes providing screens in courts, using video links for evidence and allowing registered intermediaries to provide support to witnesses during the trial. Our Young Witness Service has now established giving evidence via a live TV link to help more children give evidence remotely from a space they feel more comfortable in.

Special measures research

Northern Ireland is currently unique in the UK as the only nation to have its own Young Witness Service, but we're interested in understanding how we can improve the experiences of more children going through the criminal justice system. So this year, we've started to research what the courts are doing in England and Wales to support children.

We're looking into how special measures are implemented in the criminal justice system in England and Wales. The first stage of our research has already kicked off, focusing on the views and experiences of professionals. We're now in the process of planning the second stage of the research, which will strive to understand the views and experiences of children, to help improve the way special measures are used.

Influencing policy

This year we have met our target of enacting four policy calls to improve the justice system for children. Firstly, the Scottish government announced legislation to expand the use of pre-recorded evidence by child witnesses. A new criminal offence was announced to protect 16 and 17 year old children from sexual abuse in sport. We are now working to ensure that government deliver on this promise. Guidelines on compensation for victims of violent crimes have been changed to prevent inaccurate judgements of blame or consent being given to children who have been sexually abused. We have also called for strengthening the protection of children in the Domestic Abuse (Scotland) Bill, working closely with partners in the sector. We're confident that through our strong lobbying work, we will be able to continue to improve the justice system through our work on special measures.

Make children safe from abuse online

goal 5. ↗

With the boundaries between online and 'real life' becoming more and more blurred, we're seeing a generation of children grow up in a very different world. The internet is an amazing resource for children to learn, play and connect and we're committed to making sure this can be done in the safest possible way.

This year we've concentrated our efforts on three key areas. This has involved putting pressure on those who can make fundamental changes, protecting children at risk, and empowering young people to keep themselves safe.

* Lobbying the government to do more to make the online world a safe place for children

Internet safety strategy

Whether it be to tackle grooming or cyberbullying, social networks need consistent standards to keep children safe. This year we reviewed Professor Tanya Byron's 2008 report Safer children in a digital world and found that only 13 of Professor Byron's 38 recommendations have been fully implemented. That's why we decided to lead the way in developing a proposed set of minimum standards for social network sites.

In our response to the Internet Safety Strategy, we argued that the Government must introduce statutory regulation to make social networks safer. Platforms must be required to produce an annual report setting out resources, policies and the number of reports received on child safety issues.

Following our Wild West Web campaign, the Government has committed to introduce

legislation to address the risks on social media. Crucially, this will include proposals to address illegal activities, for example online grooming. We'll continue to influence the Government to ensure the forthcoming legislation can provide a step change in safeguarding protections for children online.

Data protection bill

As the laws around data protection are changing, we've set out to make sure that the safety of children online is being considered. Working with the government and the Information Commissioner, we've managed to secure two wins which will make children safer online. We have supported the requirement for the Information Commissioner to produce age-appropriate minimum standards of design for websites, apps and games. These will have to meet if they are to be offered to children aged 13 and over. We have made the case that children should have a 'right to erasure', making it as easy to remove content as it is to post in the first place – a principle which has been accepted by the Information Commissioner.

* Tackling online grooming

Flaw in the Law offences

After a great campaigning success in 2016/17, we saw the government bring a new law into force which will help protect children from grooming online at an earlier stage. This year we've seen the impact we've had following our continued campaigning for the government to address this flaw in the law. The law came into effect on 3 April 2017, and in the first year there were over 3,000 offences. For offences where police were able to provide information on what platform was involved, 70 per cent involved Facebook, Instagram or Snapchat.

Anti-grooming proposals

We've also been looking at how we can further support social networks to protect children. We have developed proposals for sites to take



* Case study: Net Aware

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We've continued to develop and improve the NSPCC O2 Net Aware tool, which brings together the views and experiences of thousands of parents and young people. Net Aware helps parents to find out more about the most popular social networks, apps and games that children use. They can explore what others are saying about these sites, the types of content children could be exposed to, and the safety settings and features that are available. This year we launched our news pages to make sure parents can keep track of emerging sites, updates and trends. From live-streaming to screenshots, Net Aware is helping parents to be more up to date so they can have informed conversations about the online world with their children – just as they would about their day at school.

proactive steps to identify online groomers; for example, using language algorithms to develop grooming alerts for children, and using metadata to identify suspicious behaviours, such as someone making an unusually high number of friend requests to under 18s. In doing this, we hope to be able to protect even more children from online grooming.

Operation Blue

We've launched Operation Blue, an innovative project between Dyfed Powys Police, the NSPCC and our Childline service. This initiative aims to offer support and advice to any young person who has been contacted by someone who has been convicted for child abuse offences.

Dyfed Powys Police will be sending us social media user details of any young people they are unable to identify and speak to through their usual channels. Childline will send a message to the young person, directing them to a bespoke landing page where they can find support and guidance. This pilot will target Skype, KIK, Snapchat, Facebook and Instagram.

We hope that we will be able to reach children who have been subject to, or are at risk of, experiencing harm online and give them the support they need, as well as helping them to recognise grooming and prevent further abuse. If the pilot is successful, we hope to collaborate with all 43 forces in England and Wales.

*** Finding new ways to help children keep themselves safe from abuse online**

Zipit app

Zipit uses humour, images and GIF animations to help young people deal with unwanted requests in difficult sexting situations, such as unwanted requests for sexual images. Since it was relaunched in November 2017, downloads have exceeded our targets by more than double. The app has been downloaded more than 23,000 times, whilst the Zipit page on the Childline website has had almost 9,000 views. By also providing information and advice about safe online chatting, this educational and practical app is empowering young people so they don't feel pressured to share images they don't want to send.

Yoti app

It can be a very distressing experience for young people when they do send images and they get shared more widely than intended. That's why we wanted to make it easy for a young person in this situation to remove a sexually explicit image from wherever it appears online. Working with the Internet Watch Foundation, we've developed a tool that helps young people to remove explicit images of themselves. By downloading the Yoti app, young people can report and remove an explicit image of themselves from the internet. Since June 2017 the tool has had over 10,000 visits. We've also been working on a new feature that will allow young people to upload an image before they send it, which will prevent the image being uploaded or appearing in any searches further down the line.

*** Three years of the NSPCC and O2 partnership**

This year celebrates three years of our ground-breaking partnership with O2. In 2015, we teamed up to help parents understand their children's online world and how to keep them safe within it. We wanted to enable more families to enjoy the digital world with confidence, and work together to help adults across the UK keep their families safe online. By engaging both parents and professionals, we have equipped and supported more adults to have regular conversations with children and other adults about online safety. We've also worked hard to increase awareness of the partnership across the UK, through innovative advice, resources, products and behaviour change campaigns.

Our breadth of support means parents can rely on us wherever and whenever they need to. We provide information and advice through our online safety helpline, NSPCC and O2 websites, Net Aware, our icebreaker email series, and online safety booklets. Parents can also attend workshops in schools, communities and workplaces or pop along to their nearest O2 store for an appointment with a fully trained O2 Guru. We've inspired parents to take over 4.5 million actions to keep their children safe online.

One parent who attended a workshop told us:

"I HAVE BEEN GIVEN THE TOOLS TO ENABLE ME TO MOVE ON FROM BEING AN INTERNET USAGE CONTROL FREAK! MY CHILD AND I NOW KNOW HOW WE CAN WORK TOGETHER, TO LEARN WAYS TO STAY SAFE ONLINE, WITHOUT ME FEELING THE NEED TO TURN OFF THE ROUTER TO SAFEGUARD MY DAUGHTER."

Thanks to our partnership, we've created a UK-wide network of support and information parents can rely on. We've combined the power of O2's 450 stores, 6,000+ staff and 25 million customers, with the NSPCC's 29 service centres, 800,000 supporters, 7,000 volunteers and around 1,900 staff – leveraging the reach, capability and expertise of both organisations to create a safer online world for children and families across the UK.

Anne, a mother of two, contacted the online safety helpline for advice:

"MY CHILDREN ARE 5 AND 7 AND THEY LIKE TO PLAY COMPUTER GAMES. I NOTICED MY YOUNGEST SON HAS STARTED GETTING QUITE GOOD AT SEARCHING FOR THINGS ONLINE AND FINDING OTHER GAMES. THIS MADE ME REALISE IT WAS TIME TO LOOK AT PUTTING SOME PARENTAL CONTROLS IN PLACE BECAUSE IT'S SO EASY TO ACCIDENTALLY STUMBLE ACROSS SOMETHING INAPPROPRIATE. I CALLED THE HELPLINE AND SPOKE TO NEIL, HE WENT THROUGH LOTS OF INFORMATION WITH ME AND HIS ADVICE REALLY HELPED ME WORK OUT WHAT OTHER PARENTAL CONTROL OPTIONS WOULD BE BEST FOR ME. HE WAS VERY KNOWLEDGEABLE; HE GAVE SOME GREAT ADVICE AND SHARED LOTS OF REALLY USEFUL RESOURCES WITH ME. WE'RE IN A GREAT PLACE NOW. EVERYTHING IS SET UP IN MY HOUSE AND WE'RE CONFIDENT THE KIDS CAN'T GET ON ANYTHING INAPPROPRIATE. IT'S A BRILLIANT SERVICE AND IT WAS GREAT TO SPEAK TO A SPECIALIST WHO COULD BRING EVERYTHING TOGETHER FOR ME."

* Case study: Share Aware

This year we launched a new burst of our Share Aware campaign, to give parents the confidence to have regular conversations with their children about staying safe online. Whilst children can easily access the internet, for parents it can be hard to keep track. Through our partnership with O2 we've helped to show parents how to untangle the web and help teach their children to be safe online.

We've developed our TEAM framework, a step-by-step guide to help parents teach their children to be Share Aware, so they can make the right decisions when navigating the internet alone. We've also provided parents with tips on how to start a conversation about online safety and a handy template for making a family agreement.

And to make sure we're reaching even more parents and even more children, we have also launched a new Welsh language animation for the Share Aware campaign, 'Stori Mia'. We hosted a launch event at the Eisteddfod on Anglesey, where we also delivered an O2 NSPCC online safety workshop.



The support which makes our fight FOR every childhood possible

Around 90 per cent of our income comes from voluntary donations from our generous and committed supporters. Together, through the fundraising efforts of our staff, volunteers, supporters and corporate partners – large and small – we are generating the financial resources we need to help end cruelty to children. In this section, we look at some examples of this incredible support.

Branch and district fundraising

Our branch and district committees are local groups that serve as a network for volunteers to support us, promote our work, and fundraise. From coffee mornings and quiz nights, to golf days and concerts, these events raise significant amounts of money and are a vital and valued source of our annual income.

This year, we celebrated 125 years of the NSPCC branch in North and East Hertfordshire. Trustee Dame Esther Rantzen DBE, and our chief executive, Peter Wanless, joined our supporters and the Countess of Verulam to mark the occasion with mayors from across the county.

Legacy giving

Gifts in wills are our second biggest source of voluntary income and we received £22 million through these special gifts in 2017/18. These donations are crucial in helping us to keep children safe both now and in the future.



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 Scotmid Cooperative, raised £325,000 for Childline to fund 75,000 contacts from children and young people

* Case study: Lisette Crader

This year we were honoured to receive funds from a very kind supporter whose generous legacy to the NSPCC is estimated to be around £3 million. Lisette passed away in 2015 at the age of 44, having written her will years before. Her generous gift will have a hugely significant impact on our ability to help children across the UK.

Lisette was born in north-west London on 26 June 1971. Her mother, Norrie, remembers, "Lisette was a funny little girl and often entertained us all. We were once all stuck in the car in a long traffic jam and we decided we should teach her how to pronounce her 'C' properly. We all in turn slowly said 'cat'. When it came to Lisette's turn last, she grinned and in a loud voice exclaimed 'dog!' This was very typical of her and made us all laugh."

Lisette was a talented rider and loved show jumping. She won lots of rosettes in different competitions. When she was 10 years old she spent school holidays at a residential

horse-riding yard. Sometimes older children there bullied her and asked her for money. They threatened to hurt her pony if she didn't do as they asked. It was around this time she seemed to lose some of her sunshine.

She became anorexic and whilst at a specialist hospital in her teens she spent much of her time on the children's wing, reading them stories; she loved the children there. Despite her anorexia and other mental health problems, she went on to gain excellent A-Levels and a First Class honours degree. Her subsequent career at CitiBank took her all over the world.

Lisette's mother is very proud of her daughter for choosing the NSPCC. She says, "being passionate about abused, neglected and underprivileged children she wanted to leave everything to the NSPCC. I smile when I talk about Lisette, but I also shed tears of regret. She was a naughty, funny, absolutely adorable little girl. I was so proud of her achievements in spite of all life's challenges."

The Sports Board

The Sports Board (formerly the Sports Steering Group) was founded by Sir Rodney Walker, with the purpose of using the opportunities and synergies between the sporting industry and children and young people to raise funds to support the NSPCC's work. This year, we've highlighted two of the board's events that have helped raise significant funds.

The Sidemen FC charity football match

In May 2017 The Sidemen, a globally recognised YouTube collective with over 30 million followers, organised a charity football match between their peers in the vlogging industry. It took place at the home of Charlton Athletic FC, the Valley, and raised nearly £100,000 for both Childline and the Charlton Athletic Community Trust.

The match had a crowd of 27,000 people, with many of the fans being children and young people who follow the videos and content from The Sidemen on YouTube and other social media platforms. But, on top of that, the match was streamed live on YouTube and had over 500,000 viewers over the 90 minutes, and has been viewed over 14.5 million times since. The video content also includes the Childline 'Tough to Talk' campaign video, which encourages young people, especially young males, to reach out if they need support. We're continuing to work with The Sidemen, to explore how the group can raise further funds and awareness of our work, through their influence and impressive reach.

Derbyshire Charity Clay Shoot

The annual Derbyshire Charity Clay Shoot event takes place each May in the grounds of Chatsworth House. For the second successive year, we were one of the benefiting charities of this event, chosen by the Duke of Devonshire alongside a committee of volunteers. Laura Corbridge, long term NSPCC supporter and current Sports Board member is part of the shoot's organising committee and secured the opportunity for us to be a beneficiary of this event.

The event raised over £50,000 for the NSPCC, with the same amount also donated to three other local causes. The committee give preference to local causes but, despite being a national charity, we were able to demonstrate the local impact we were having in the area and the donated funds will support our service centre in Sheffield.

Corporate partners

From grants and fundraising efforts, to raising awareness and working towards joint strategic goals, we have a range of corporate partners, who offer their support to us. Here are just a few examples of exciting partnerships from the past year.

Marks & Spencer

This year, we partnered with Marks & Spencer (M&S) over the Christmas period. To raise money for Childline, M&S made Paddington Bear the star of their Christmas campaign, coinciding with the release of Paddington 2. They published 200,000 copies of a limited edition Paddington Bear children's book, which was also used as the story of their Christmas TV advert. Our Childline service received £2 for every £3 book sold – with the aim of raising enough money to fund the service over the 12 days of Christmas.

Pop star Pixie Lott launched the book to the press at M&S' flagship Oxford Street store. Celebrities including Stacey Solomon, Charlotte Hawkins and social media star Mother Pukka also starred in a promotional video to boost sales and through the hashtag #LoveTheBear, more celebrities, such as Amanda Holden and Miranda Hart, posted their own pictures of the book. The book sold out after an incredible four weeks and to cope with demand, M&S printed thousands of extra copies.

Credit Suisse

In July 2017, Credit Suisse donated their time and expertise, hosting a two-day Hackathon. The aim was to use data mining and data science skills, in partnership with our teams, to build innovative solutions to challenges faced in day-to-day operations. Over the two days, Credit Suisse volunteers worked on three NSPCC projects:

Childline – Through analysis of the free text data from Childline online chat, our Credit Suisse volunteers were able to determine common issues for certain profiles of children, and identify emerging trends.

NSPCC Reach – We deliver a range of services and wanted to better understand where they are having an impact and on whom. Credit Suisse volunteers looked at the reach of their services geographically and demographically, which can help us inform how we resource our national services.

NSPCC Demand – We know that children in families facing adversity are more at risk of child abuse. Credit Suisse helped us to compare open data, to map and estimate where in the UK there might be unusually high numbers of families facing adversity. Alongside the data in the Reach project, this can help us to identify possible gaps or unknown needs for services to be scaled up.





Scotmid Cooperative

In Scotland, we marked the end of our Charity of the Year partnership with Scotmid Cooperative, who raised money for Childline from August 2016 to August 2017. The entire company came together to support Childline through a variety of activities. They hosted in-store events and dress up days, and spent a weekend selling strawberry tarts at the Royal Highland show. They also participated in a group bungee jump, sky dives, marathons, coast-to-coast cycles, triathlons and a 26-mile Kiltwalk.

The Scotmid Cooperative, Semi Chem and Lakes and Dales stores are situated in the hearts of their communities, often near residential areas and schools, where they were also keen to spread awareness. They hosted health and wellbeing days in schools nearby, where our Childline counsellors were invited to speak to children about the ways to contact Childline.

They had set an ambitious target of £300,000 to fund 75,000 contacts from children and young people, which their amazing work helped them to surpass, with the final total being nearly £325,000.

ScottishPower Foundation

This year, ScottishPower have continued to support us – awarding us with a grant of £36,000 towards our Pregnancy in Mind service, delivered from our Glasgow service centre in Govan. This service supports mothers and fathers at risk of depression or anxiety through pregnancy and their child's first year. This generous grant has helped parents and children form healthy relationships and stronger attachments.

The Childline Board

The Childline Board, chaired by Tom Toumazis, raises funds for our Childline service through corporate support, special events and challenges.

Britain's Got Talent Childline Ball 2017

The 2017 Childline Ball was the most successful to date, with a huge production taking place at Old Billingsgate. We raised just under £1 million for Childline, with further pledges from media owners to support the Childline Ball via Childline board member Nick Bampton. Through his company, Infinitum Media, Nick has created a legacy within the industry, which sees year on year media pledges converted into income for Childline. Childline board member Kathleen Saxton was an amazing chair this year and has agreed to be chair again for the 2018 Childline Ball. We have no doubt that her hard work will exceed the million-pound target this year.

London Marathon 2017 and 2018

Childline Board member Shaun Gregory, CEO of Exterion Media was named one of the Virgin Money London Marathon 2017 top fundraisers, raising £60,000 for NSPCC and Childline. The Childline Board secured 32 runners for The London Marathon 2018, with 19 runners from Exterion Media, including Shaun Gregory again for the second year running, four runners from Trinity Mirror, five runners from Tom Toumazis and his family and four runners from EY.

The NSPCC shop

This year we launched the NSPCC shop online. With over 100 products on offer, members of the public can now support our vital work while treating themselves to something special. The shop offers a range of traditional products, from branded tea towels and mugs to classic Christmas cards. We've also developed some more unexpected products to appeal to new audiences, such as premium greeting cards, children's toys and our new mindfulness product range. We've attracted over 38,000 visitors, with 10 per cent going on to make a purchase. To improve on this, we'll be continuing to add new products and diversify marketing across digital platforms, through trading catalogues, and corporate partner promotions.

An overview of the activity we wanted to focus on this year, and how we have achieved this

Looking back

Prevent child abuse in families facing adversity

goal 1.

We set out to share the learning from our evidence-based services, specifically Graded Care Profile 2 and Baby Steps, with other organisations. We also wanted to develop digital extensions for services and to open our first Together for Childhood centre.

How we are achieving this:

We've continued to scale up our services to make sure that more children and families are benefiting from approaches we know work. Graded Care Profile 2 is now being delivered to 19 more sites, taking us up to 55 overall. We have now worked with eight sites to implement Baby Steps. Our Life Story service for looked after children is being digitalised, to make sure young people can get the most out of the service in whichever way works best for them. We have also commissioned Together for Childhood centres in four different locations.

Prevent child sexual abuse

goal 2.

We wanted to build and share our Harmful Sexual Behaviour (HSB) framework with other organisations and help them to build their responses to this issue. We planned to continue working with partners to develop a school-based approach to preventing sexual abuse and to pilot the approach in secondary schools. We also said we would work to reduce the demand for and the supply of child sexual abuse images.

How we are achieving this:

We developed our HSB framework, which is being delivered in 11 sites. We have also been sharing the knowledge through our spotlight programme, which focuses periods of communications activity on a particular subject – drawing together key learning and evidence from our services and research. We've continued to work with partners and have developed the pilot service, Project Respect, which started to run in four secondary schools this year to help prevent sexual abuse. Our vital work with the Internet Watch Foundation and our Report Remove work are helping us to reduce the supply of child sexual abuse images.

Help children speak out and adults take action about abuse

goal 3.

We planned to launch new content for under 12s through Childline, to help us support a group who are less likely to reach out. We also set out to deliver training and consultancy to more organisations.

How we are achieving this:

We launched a new campaign to support children who are less likely to reach out; however we decided to target this at young people of any age who have been judged on race, religion or culture. Understand Me launched in March 2018 and we have seen a 73 per cent increase to our pages on 'Your Rights'. Our training and safeguarding tools were accessed over 400,000 times this year, 21 per cent over our target. We gave case-specific advice to fewer professionals than expected this year, however this could in part be due to improved recording.

Our training and safeguarding tools were accessed over 400,000 times this year, 21 per cent over our target.



Help abused children get back on track

↑ goal 4.

We planned to continue our campaigning to make sure there is support for children who have been abused. We also wanted to share the learning from our evaluations of services which help children to recover from abuse and get back on track, specifically Domestic Abuse Recovering Together, Letting the Future In and Reunification.

How we are achieving this:

We launched *Are You There?* to campaign for recognition and funding for the early mental health support that Childline provides. Extra investment will help us train volunteers and develop online material so that we can be there for every child in need of support. We published evaluations of how we support other organisations to deliver the Domestic Abuse, Recovering Together and Reunification Practice Framework services. Our evidence was used 13 per cent more than expected – helped by the recent promotional communications spotlight.

Make children safe from abuse online

↑ goal 5.

This year's aim was to raise awareness of how adults can keep children safe online through delivering workshops to parents and through our campaigning work. We also said we would work with government and industry, to make a child's 'right to remove' sexualised images a reality, and improve policy and practices.

How we are achieving this:

Of the parents we surveyed, 55 per cent found it easy to access safeguarding information on social networking sites, higher than our 44 per cent target that we set to ensure we would know we were successfully raising awareness through our work. We have continued to push industry and government to ensure that minimum safeguarding standards are in place on social networking sites, including default safety settings and easy reporting processes and we are closer to making a child's 'right to remove' a reality. Overall, we have worked with 61 organisations across academia, industry, charity, and law enforcement sectors to put safeguards in place and develop online safety policy to keep children safe.



In 2018/19 we're expecting to get much closer to our aim of making 5 million children safer. We'll continue to focus on making progress in each goal and have outlined here what we hope to achieve.



Looking forward

Prevent child abuse in families facing adversity

goal 1.

Next year, we will start delivery at another Together for Childhood site and will continue to work with families facing adversity through our community-based approach. Through continued efforts to influence the content of the domestic abuse bill, we will ensure that the needs of children who are affected by domestic abuse are met.

Prevent child sexual abuse

goal 2.

Through opening another Together for Childhood site, we will also be working towards preventing child sexual abuse. As we continue to develop our Impact and Evidence Hub, we will share evaluations and learning on what works to prevent child sexual abuse. We're also planning to commission major research to understand the prevention of child sexual abuse.

Help children speak out and adults take action about abuse

goal 3.

We will continue to deliver *Speak out. Stay safe.* to primary schools – reaching over 1.5 million children in schools each year. Over the next year we will increase our efforts to make sure we're able to deliver the service in harder to reach schools. We're hoping to reach every school in the UK and Channel Islands at least once every three years. We'll also continue to deliver Keeping Safe in Northern Ireland to reach more children. To reach more adults, we're planning to develop

the NSPCC Learning project. We want to increase the reach of our training and safeguarding tools, including provision of eLearning.

Help abused children get back on track

goal 4.

To help more children get back on track, we're going to continue to deliver and evaluate our services, in particular Reflective Fostering, Protect and Respect and Infant Family Team. We also expect to see delivery and evaluation of Child House to begin with partners in Camden. And we will be developing two brand new services to help children rebuild their lives after abuse. All of our learning from evaluations will be shared, as we plan to disseminate more findings from our 'what works to get children back on track' research.

Make children safe from abuse online

goal 5.

Building on the progress we've made this year, next year we will continue our lobbying to make sure children can exercise their 'right to remove' sexualised images. The Internet Safety Strategy has been an exciting opportunity for us to try to make children safer online. In 2018/19 we will continue to lobby government and work with key industry partners to make sure children's safety is at the heart of their policies and practices. We will also continue to disseminate and promote our Share Aware resource to make sure that more parents know how to keep their children safe. Through our Operation Blue pilot, we will begin to reach children at a point of need regarding online safety, engaging with them via Childline as well as external platforms.

Our values, principles and standards

Our values

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

* Putting children first

For more than 130 years we've put children first. We believe in children, we want what's best for them, and we will fight to end cruelty to children.

* Taking a stand

We are brave in our actions and we stand up for what is right, regardless of who is committing the wrong. We campaign to change laws where necessary, lead public debate and we're on the frontline, supporting those who work with children, and challenging those who should do more to keep them safe. We will speak out when something is wrong and celebrate success with those who help things improve.

* Making an impact

Our work won't end until we've transformed attitudes and services for children, protected every child and prevented abuse. We base our decisions and actions on evidence and the difference these will make to ending cruelty to children. We're brave in our actions and prepared to be unpopular when necessary and sometimes force society to face uncomfortable truths where things get in the way of achieving our goal.

* Striving for excellence

We always strive to do and be the best we can, so that we can – directly and indirectly – give every child the start in life they deserve.

* Working together

We can't end cruelty to children on our own. Luckily we don't have to. Our passion inspires others, and our desire to listen, to learn and to improve means we continually work with inspirational people, organisations and children. We always achieve more for children through working together.

Remuneration policy

We aim to be an employer of choice and we have around 1,900 paid staff operating from 10 regions in the UK. We engage with both staff and volunteers regularly, value their opinions, and receive feedback through a variety of events and surveys.

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

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

In line with NCVO recommendations, the annual salaries of our chief executive and other executive board members are disclosed on our website, no more than two clicks away from the homepage. The table below shows the annual remuneration of the executive board as at 31 March 2018, including defined contribution pension and other benefits.



Executive board annual remuneration

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as at 31 March 2018

		Annual Salary* £'000	FTE~	Paid in year Salary £'000	Benefits £'000	Pension £'000
Chief Executive Peter Wanless	Leading the organisation, which has an annual income of over £127 million and employs over 1,900 staff, delivering services across the UK and Channel Islands.	173	1.0	172	4	11
Director of Corporate Services David Roberts	Manages the directorate responsible for ensuring that the NSPCC has effective financial controls; robust and enabling technology infrastructure and systems; a fit-for-purpose property portfolio; and appropriate information to support the efficient use of resources.	134	1.0	132	7	16
Director of Children's Services Sherry Malik	Manages the directorate responsible for the development and delivery of preventive, assessment and therapeutic services that work directly with children, young people and their families.	131	1.0	129	3	13
Director of Communications Alison Jeremy	Manages the directorate responsible for all communication initiatives; ensuring that all communication on behalf of the organisation is appropriate, consistent with our brand and key messages, and of a high standard. Also works on behalf of the whole organisation promoting the NSPCC's work, policies, campaigns and publications.	122	1.0	121	6	15
Director of Fundraising and Engagement Simon Lande (Appointed 2 May 2017 and resigned 31 May 2018)	Manages the directorate responsible for generating the financial resources we need to help end cruelty to children. Responsible for managing the NSPCC's supporters and delivering income from donations, legacies and other trading activities.	120	1.0	110	2	6
Director of Strategy, Policy and Evidence Kate Stanley	Manages the directorate responsible for the formulation of the five-year strategy, and for developing and testing activities that will help us to achieve our strategic objectives. Responsible for our research programme, the evaluation of our services and our policy influencing work.	98	0.9	89	2	11
Director of People Brett Terry (Appointed 30 January 2018)	Manages the directorate responsible for recruitment, development, and retention for over 1,900 NSPCC staff and thousands of volunteers across the NSPCC.	103	1.0	17	-	1
Director of National Services Claire Johnson (Acting Director - Appointed 1 February 2018)	Manages the directorate responsible for providing a range of universal national services that are focused on protecting children and young people and preventing abuse.	90	1.0	14	-	2

*Annual salary refers to annual salary excluding benefits in kind at 31 March 2018. Differences between salaries paid in year and annual salary arise due to annual pay rises that take effect in July each year and as a result of individuals joining or moving in to an Executive Board role during the reporting period.

~full time equivalent

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

In 2018 we paid increases, based on annual performance ratings, of up to 2 per cent for the highest performers (2017 up to 2 per cent). Pay is also reviewed when existing staff take on additional responsibilities. New recruits are usually paid between the minimum and mid-point of the

relevant pay band, as below, depending on their experience and skills. In exceptional circumstances, where it is required, they may be paid at a higher rate, but not more than the pay range maximum. For some roles which are difficult to recruit to, a market premium of up to 10 per cent above the pay ranges may be paid. The reasons for recruiting at market premium rates must be explained in a business case which must be approved by the relevant executive board director and the director of People. We also have 51 staff who are paid at "spot rates" outside these ranges, including our executive board whose annual remuneration details are shown on the previous page.

We have pay ranges based on seven grades as follows:

Grade	Min £	Mid £	Max, including market premium £
P1	15,925	16,672	17,598
P2	15,925	18,469	21,012
P3	19,000	22,370	28,314
P4	24,000	28,284	35,825
P5	29,500	34,711	43,915
P6	34,000	40,113	50,849
P7	41,500	48,591	61,250

Pay ranges exclude any regional allowances which may be given.

From 1 February 2018, we introduced a new salary exchange defined contribution pension scheme, where employer contribution rates match employee contributions, with contributions ranging from four per cent to a maximum of seven per cent. We operate a defined contribution pension scheme, with employer contribution rates ranging from six per cent up to a maximum of 12 per cent depending on the employee's contribution rate and length of service. This scheme was closed to new joiners from 31 May 2017, except for new starters recruited to roles advertised before 1 April 2017. An auto enrolment scheme also operates, in compliance with the Pensions Act 2008. All eligible employees are automatically enrolled following a postponement period of three months, with employer

contribution rates set in line with the requirements of the legislation. Our staff based in the Channel Islands have different pension arrangements in compliance with local legislation.

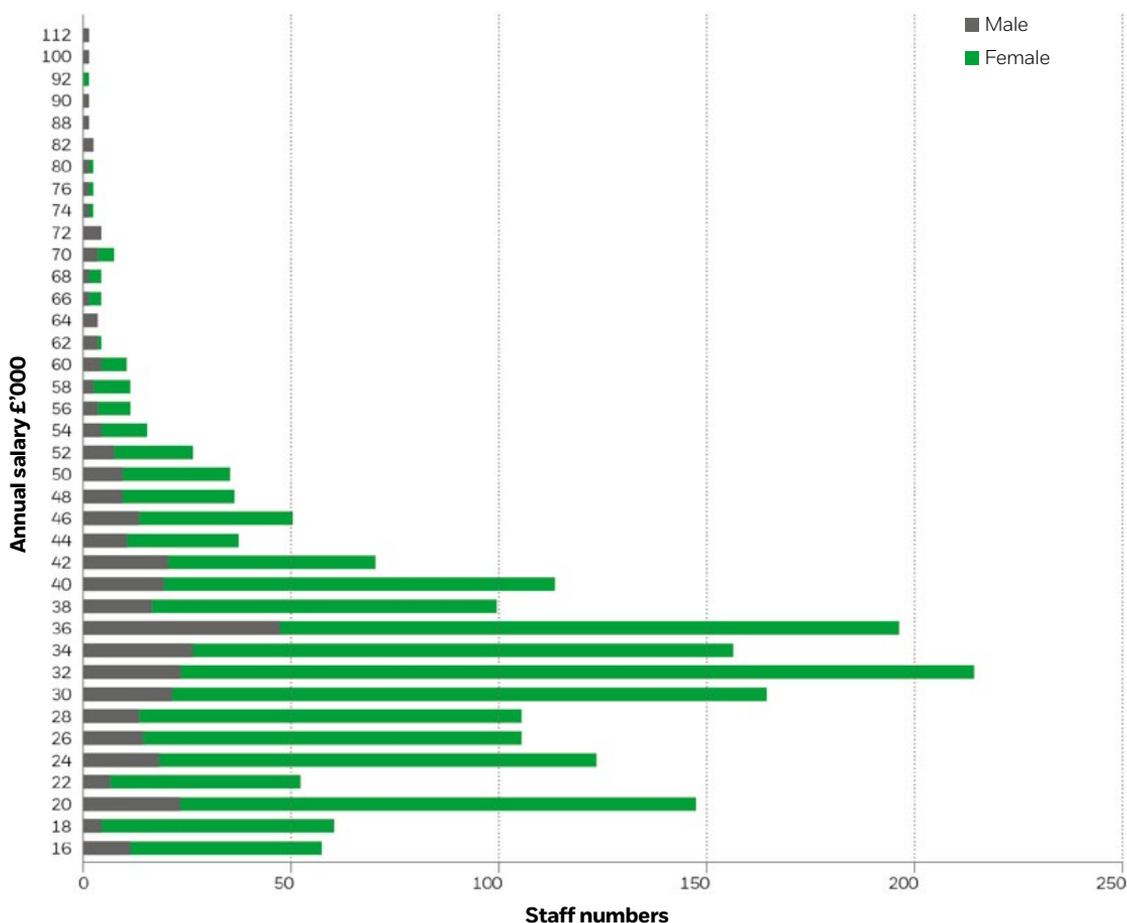
Full members of the pension scheme received enhanced risk benefits including life assurance and spouse/dependant's pension. We decided to close this scheme this year, with effect from 1 February 2018. From 1 February 2018, members of the defined pension contribution scheme receive life assurance cover equivalent to five times their annual salary. Non-members, those auto enrolled and our staff based in the Channel Islands receive life assurance cover equivalent to one times their annual salary.

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

	2018	2017
Highest paid salary (£'000)	173	170
Median (£'000)	33	32
Ratio	5.3	5.3

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

Annual salary entitlements (full time equivalent basis) for all NSPCC staff, excluding executive board, employed at 31 March 2018



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

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

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

Executive board directors' expenses incurred on our business, and reclaimed or paid directly by the charity in the year – for directors in post at 31 March 2018

	Flights £	Hotels £	Rail £	Other £	2018 £	2017 £
Chief Executive – Peter Wanless	840	768	1,370	46	3,024	3,335
Director of Children's Services – Sherry Malik	684	821	3,050	154	4,709	3,418
Director of Communications – Alison Jeremy	106	446	1,037	95	1,684	2,283
Director of Corporate Services – David Roberts	–	155	1,100	13	1,268	1,209
Director of National Services – Peter Watt (resigned 28/02/2018)	105	548	1,498	169	2,365	1,826
Director of National Services – Claire Johnson (appointed 01/02/2018)	–	230	2,428	144	2,802	–
Director of People – Siobhan Sheridan (resigned 07/07/2017)	–	–	88	–	88	1,095
Director of People – Brett Terry (appointed 30/01/2018)	–	–	140	–	140	–
Director of Strategy, Policy and Evidence – Kate Stanley	73	341	514	49	977	950
Director of Fundraising and Engagement* – Simon Lande (appointed 02/05/2017)	157	–	831	–	988	–
Total	2,010	3,309	12,056	670	18,045	14,116

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

Procurement policy and modern slavery statement

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

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

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

Our relationship with donors and funders

The NSPCC subscribes to the Fundraising Regulator's fundraising promise, which is available to download on our website. And, in addition, we have published our commitment to supporters (previously our fundraising promise) as follows:

Our commitment to supporters

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

We receive around 90 per cent of our funding from generous supporters. We have an Individual Giving team, who focus on raising funds from individuals through one-off donations, regular donations by direct debit, payroll giving, gifts in wills, gaming products such as raffle and lottery, and sales of products. We communicate with our supporters through a selection of mailings, telephone calls, email, and SMS. We have also recruited new donors during 2017/18 through online activity, inserts, television advertising, doordrops, payroll giving, legacy promotion activity, face-to-face cash, contactless and direct debit payment collections and door-to-door fundraising. During 2017/18, we had external agencies fundraising directly with the public on our behalf including outbound calls to existing supporters; handling calls from the public to make a donation in response to television advertising, and face to face activity including door to door, venue and experiential fundraising.

We strictly adhere to the Fundraising Regulator's code of fundraising practice and all relevant Institute of Fundraising rulebooks as well as guidance on fundraising activity including the Treating Donors Fairly Guidance. All fundraisers representing us receive rigorous training to ensure they understand the standards we expect when they are speaking to members of the public on our behalf and to ensure a positive experience for the people they talk to. Above and beyond industry guidance, we also have additional levels of protection built into our contracts and the training and guidance we provide to all fundraisers. Our donors do not receive more than two financial asks in any fundraising interaction.

This year we undertook a full review of all our safeguarding in fundraising policies, including those relating to potentially vulnerable members of the community. Our aim was to ensure the guidance available for fundraisers is as clear and accessible as possible; effectively protects members of the community who may not have full decision making capability; and ensures intended protections do not potentially discriminate against anyone choosing to donate to the NSPCC.

As a result of the review, some updates were made to ensure our aims are met. These changes included: introducing clearer guidance on potential indicators of vulnerability; introducing a set of objective questions to ensure consistent treatment in assessing whether to accept a gift; and clearer guidance on how to support a donor's choice to safely make a gift should they choose to do so.

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

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

We have a complaints policy published on our website, which includes reference to inappropriate or improper fundraising methods. We are committed to dealing with all complaints constructively, impartially and effectively and will make every effort to ensure that all complaints receive a complete, accurate and timely response. No complaint is ever disregarded. In the year to date, we received (either directly or through a person acting on our behalf) a total of 506 complaints relating to individual giving and 159 complaints relating to other fundraising. We define a complaint as “any expression of dissatisfaction” and we actively encourage members of the public to share with us their views on our work to resolve problems and to improve our performance.

All agencies we worked with were closely monitored while carrying out fundraising on our behalf. For telephone agencies, we listened to a random selection of calls each week to ensure compliance with regulatory and legislative standards, and that our supporters have been offered a positive experience. For door-to-door activity, we have conducted ‘shadowing’ where we follow fundraisers to ensure they are representing our values when speaking to the public. For our private site and experiential fundraising activity, we ‘mystery shop’ our fundraisers to ensure consistency in the quality of compliance and donor experience. Across all our face-to-face activity, we listen to a random sample of the verification and welcome calls to new donors to ensure they had a positive interaction and necessary steps were taken by the fundraiser during the solicitation. For outbound telephone and face-to-face activity, we have surveyed our donors, providing the opportunity to feedback on the interaction they have had. All scores were monitored to ensure our donors are being treated appropriately, and to provide the learning to continue to improve the donor experience. All complaints received are tracked and discussed with our agencies on a weekly basis to ensure anything highlighted that could be improved upon is addressed and developed where needed.

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

How we're organised and governed

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

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

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

Our board of trustees

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

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

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

Board composition

Our board currently comprises 15 trustees who have a broad range of skills and experience.

Trustees usually serve an initial term of three years. This can be extended once up to a maximum of six years, and in very exceptional circumstances there may be a further extension, in accordance with the Charity Governance Code. There are two trustees with terms over six years as in 2016 the maximum was changed from nine years to six years, and after 2019 no trustees will be serving a total of more than six years.

All of our trustees give their time on a voluntary basis; they receive no remuneration or any other benefits. Any out-of-pocket expenses along with other costs paid directly by the charity, which the trustees have incurred in furtherance of their duties, are set out in note six to the financial statements. Our trustees are recruited through a variety of means, including open advertising. We place particular emphasis on ensuring that we have the appropriate balance of skills and experience that we need so will use more targeted recruitment searches where necessary and keep under review the balance of trustees with regard to gender and diversity. There are currently seven male trustees and eight female trustees.

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

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

Our trustees undergo a comprehensive induction programme and are offered training and development opportunities throughout their trusteeship.

Following publication of the Charity Governance Code in July 2017, Trustees evaluated the board's performance against each of the principles of the code. They found that the NSPCC meets most of the outcomes in the code. Trustees have adopted the code, aspire to meet the requirements, and agreed an action plan to meet most of the requirements of the code.

Board meetings

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

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

We also have a Youth Advisory Board, a group of young people from inside and outside of the NSPCC, who give consideration to board papers and provide their views to the board.

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

As a measure of board effectiveness we have included trustee attendance within our trustees listing on pages 63-64.

Delegation

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

Board of Trustees

Audit and Risk	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	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	Finance committee Maintains an overview of the financial aspects of our strategy, and reviews and monitors our policies, processes and standards in order to secure effective financial management.
Fundraising	Fundraising committee Reviews our fundraising strategies and activities against objectives including the quality of supporter experience and ensures compliance with regulation and good practice.
Nominations and Governance	Nominations and governance committee Ensures that we comply with our Royal Charter and byelaws as well as best practice in governance, and reviews the role and membership of the board of trustees and its committees.
Policy	Policy committee Responsible for identifying key issues on which we must have a public policy position and reviews our work with government and other agencies.
Remuneration	Remuneration committee Decides on the appropriate level of remuneration for our chief executive and reviews recommendations for remuneration of the executive board. Further information on executive board and other senior staff remuneration is included earlier in this report.
Service Delivery	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

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

Our activities are organised under the following directorates:



Risk environment

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

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

Measuring, monitoring and reporting risk

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

The NSPCC's risk framework measures each identified risk on the basis of its 'inherent score' (the risk that an activity would pose where few – if any – controls are in place) and its 'current score' (based upon the status of controls currently in place). A target score is given to each risk. This target score is the level of risk acceptable to the board of trustees. As a rule each risk will meet its target score once all the right controls are in place and are working effectively. All three scores are calculated by multiplying the probability of a risk occurring by the impact of that risk occurring in line with agreed organisation wide criteria.

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

Strategic risks

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

Of the 13 risks currently on our SRR, at 31 March 2018, the following six risks had reached their target score with controls in place to sufficiently mitigate the risks

* **Insufficient Business continuity & Resilience**

Insufficient business continuity and resilience should there be an adverse event that impacts the charity. All controls are in place. This risk has maintained its target score throughout 2017/18.

* **Weaknesses in staff recruitment and retention**

The inability to effectively and safely recruit staff. This risk has maintained its target score since September 2016.

* **Failure to maintain effective political relations**

Failure to maintain effective political relations or a breach of the codes of practice on political relationships. This risk has maintained its target score throughout 2017/18.

* **A lack of digital capability leading to a limited ability to deliver NSPCC strategy**

During this year, we have satisfied ourselves that a lack of digital capability is not a constraint on delivering our strategic goal outcomes.

* **NSPCC failing to respond effectively to the 'Independent inquiry into child sexual abuse' (IICSA)**

In failing to respond effectively to the inquiry, the NSPCC will let down the child and adult victims of historic childhood sexual abuse. We remain confident that we are able to provide support in respect of any requests from IICSA. As the Inquiry is still ongoing, risks and controls continue to be monitored at an operational as well as at a strategic level.

* **Inability to achieve organisational goals benefiting children and young people through Childline due to a period of uncertainty for staff and volunteers**

We have completed a thorough review of Childline during 2017/18 and we are confident that we can deliver successful outcomes for children through staff and volunteers working together effectively.

These risks have yet to reach their target score. Progress in relation to each of the outstanding risks is set out below.

* **Fundraising Individual Giving income**

Regular donations from individuals (Individual Giving) have been in decline for a number of years, largely due to the increased cost of acquiring new regular givers to replace donors we lose in any given year.

The controls identified to mitigate this risk are designed to ensure that the revenues from this source of donating remain in line with the assumptions in our strategic plan.

This risk has not materialised to date as actual income from Individual Giving has been in line with forecast.

Although all controls are now in place, given the significance of this source of income to delivery of our strategy, it remains under constant review

* **Volunteer recruitment and retention**

This risk had reached its target score in 2015/16 but this assessment was revised by management at the end of 2016/17 following a review of how we can deliver a better volunteer experience (in order to attract and retain volunteers). This review resulted in the implementation of a longer term project to further improve and standardise the recruitment, induction, training, recognition, communications and engagement of NSPCC volunteers.

An internal inspection was also carried out in February 2017. A number of recommendations were made in order to further improve the safeguarding and data protection aspects of our volunteer recruitment process. This resulted in a number of new controls that are now in place.

As the longer-term standardisation project is still on-going with some outstanding controls, the target score was not reached.

* **Safeguarding**

The death, serious injury or harm to a child or young person as a direct result of flaws within our own arrangements for safeguarding and child protection is the NSPCC's most critical risk.

The NSPCC works with some of the most vulnerable children and continually strives to help make them safer. We constantly monitor the status of controls and we are confident that every year we get closer to ensuring that this risk is mitigated to a level acceptable to the board of trustees reflected in the target score. The NSPCC invests in both internal quality assurance and an independent inspection function to continually strive to improve practice, systems and processes. We recognise that working with children and young people who have suffered the most extreme forms of adversity brings with it significant challenges to help make them safer. Although, we have a wide range of controls in place, the target score has not been reached as there are controls where we are making further developments as we continually challenge ourselves to strive towards achieving, embedding and maintaining high standards.

* **Information security**

It is in the nature of this risk that new threats constantly emerge in the information security world. This requires the NSPCC to continually review information security policies and supporting technology to ensure that they are adequate to provide defence against the latest threat profile. Throughout this period of change this risk's profile will continue to fluctuate dependent upon emergence of external information security threats, and as new technology initiatives go live.

* **NSPCC's actions fall short of stakeholder expectations**

The NSPCC has a wide range of stakeholders and should any of the risks on the SRR materialise it is likely we would fall short of stakeholders' expectations.

This risk cannot therefore reach its target score until all other risks are on target.

* **Legal/regulatory**

There are separate risks identified for subjects where compliance-related risks are particularly high (ie where there is active regulation and where non-compliance would be a particularly sensitive issue eg data protection, health and safety, and safeguarding). The critical control for the mitigation of the legal risk is the identification of the principle legislation and regulations with each senior management team, and putting in place the necessary measures to ensure compliance.

As some measures have only recently been put in place, the risk score will not reach its target state until these have been tested to ensure that they are fully effective.

* **Data protection**

In common with all organisations, the NSPCC is working hard to ensure compliance with the GDPR, which came into force across the UK from 25 May 2018. This involves a significant amount of work to change processes and embed excellent data protection practices at all levels.

In 2017, the NSPCC recruited a highly qualified chief data protection officer (CDPO) to help shape the organisation's GDPR compliance project. The NSPCC has formed an information governance steering committee, chaired by the CDPO, which has executive sponsorship at the highest level to demonstrate the commitment to compliance.

The CDPO has carried out a thorough review of this risk and has concluded that we are in a very good state of readiness as a result of the whole organisation understanding and supporting the changes which have been introduced. The NSPCC has taken great steps towards GDPR compliance and the key next steps are to ensure that new controls such as the information asset register (which is the organisation's record of processing activities and is an important tool to demonstrate compliance) and a new privacy impact assessment (a tool used at the outset of any new processing activity to ensure that privacy by design is an essential consideration) are thoroughly implemented.

Public benefit and how our activities deliver it

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

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

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



Trustees' responsibility statement

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

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

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

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

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

Subsidiaries and related parties

NSPCC Trading Company Limited and Childline are both wholly owned subsidiaries of the NSPCC, and their accounts are consolidated in the accounts presented on pages 76 - 105.

The principal activities of NSPCC Trading Company Limited are corporate sponsorship and fundraising events, sale of goods – including Christmas cards, and income from promotional activities. The company has seen increased income this year due to an increase in sponsorship income and fees from fundraising events. The company had a profitable year and continues to develop its activities to support our work. The profit before tax of £1.9 million (2017 £1.6 million) was donated under Gift Aid to the NSPCC.

Childline continues as a separate legal entity in order to receive legacy income not otherwise receivable by the NSPCC. In the year ending 31 March 2018 it received £0.3 million legacy income (2017 £1.3 million). This is paid by way of a grant to the NSPCC towards the operation for the Childline service for which the funds were received.

Patrons, trustees, officers and professional advisors

Royal Patron

HRH The Countess of Wessex

Royal Patron of Childline

HRH The Countess of Wessex

President

HRH The Countess of Wessex

Board of trustees

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

Mark Wood *CBE DBA FCA BA*

Trustee since 2010

Chairman

Board of trustees (5/6),

Finance (4/9), Fundraising (3/4), Nominations and governance (4/4), Remuneration (1/1)

Elizabeth Brash

Trustee since 2015

Vice-chair from 23 November 2017

Board of trustees (6/6), Divisional trustees (4/5)

Fundraising committee (2/2) Nominations and governance (1/1)

Ann Morrison

Trustee since 2009

Vice-chair to 23 November 2017

Board of trustees (6/6),

Divisional trustees (chair) (4/4),

Fundraising (3/4), Nominations and governance (2/3), Remuneration (1/1)

Sir David Normington *GCB FCIPD*

Trustee since 2012

Vice-chair

Board of trustees (6/6),

Nominations and governance (3/4), Policy (chair) (4/4), Remuneration (1/1)

James Bailey *Chartered FCSI NASD Series 7*

Trustee since 2013

Board of trustees (4/6),

Audit and risk (3/4), Divisional trustees (2/4)

Dr Joanna Begent *MBBS*

Trustee since 2015

Board of trustees (4/6),

Policy (4/4), Service delivery committee (3/4)

Neil Berkett (Until 5 October 2017)

Trustee since 2010

Board of trustees (3/3), Service delivery (1/1)

Andy Briggs *FIA*

Trustee since 2016

Board of trustees (6/6),

Fundraising (chair) (4/4),

Clem Brohier *ACMA CGMA FRSA*

Trustee since 2016

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

Professor Tanya Byron *PsychD*

Trustee since 2016

Board of trustees (6/6), Policy (2/4),

Service delivery committee (3/4)

Antonia Consett *Chartered FCSI*

Trustee since 2016

Board of trustees (4/6),

Divisional trustees (3/4), Finance (7/9)

Fiona Curteis

Trustee since 2013

Lead trustee with responsibility for safeguarding

Board of trustees (5/6), Audit and risk (3/4),

Divisional trustees (4/4),

Tarek Khlaf *MBA*

Trustee since 2015

Board of trustees (5/6), Fundraising (4/4)

Lady Brenda McLaughlin *CBE Dip Soc Stds*

Trustee since 2012

Board of trustees (5/6), Divisional trustees (3/4),

Service delivery (chair) (4/4)

Dame Denise Platt *DBE*

AIMSW (Until 5 October 2017)

Trustee since 2007

Board of trustees (3/3), Audit and risk (chair)

(2/2), Policy (1/1), Service delivery (1/1)

Dame Esther Rantzen DBE

Trustee since 2006
 President of Childline
 Board of trustees (3/6), Policy (2/4),
 Service delivery (3/4)

John Worth FCA

Trustee since 2016
 Honorary treasurer
 Board of trustees (5/6), Audit and risk (3/4),
 Finance (chair) (9/9), Remuneration (1/1)

Co-opted members

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

Catherine Baxendale FCIPD

Service delivery (3/4)

Daniel Benton

Finance (1/4), Fundraising (1/2)
 Resigned 18 September 2017

Angela Cha

Fundraising (1/3)
 Resigned 5 February 2018

Mark Corbidge

Appointed 27 February 2018
 Finance (3/3)

Gavin Dein

Fundraising (3/4)

John Devaney

Appointed 1 March 2018
 Policy (1/1)

Geoffrey Godding

Fundraising (1/4)

Steve Hart

Appointed 1 March 2018
 Audit and Risk (1/1)

Brian Ledbetter

Fundraising (2/4)

Ian McCaig

Fundraising (3/4)

Jonathan Middup FCA

Audit and risk (3/4)

Lynn Price

Divisional trustees (0/3)

Gavin Sanderson FCA

Finance (6/9)

Marco Scognamiglio

Fundraising (2/4)

Paul Snell

Appointed 1 December 2017
 Service delivery (2/2)

Rajesh Tugnait MBA CIM

Diploma in Professional Marketing
 Fundraising (4/4)

Francesca Valli

Fundraising (4/4)

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

Steve Delo (chair)**Alex Camm**

Wayne Casey (to 16 February 2018)

Clare Murray**Philippa Webster****Senior management
(the executive board)****Chief Executive**

Peter Wanless

Director of Children's Services

Sherry Malik

Director of Communications

Ali Jeremy

Director of Corporate Services

David Roberts

Director of Fundraising and Engagement

Simon Lande (from 2 May 2017)

Nigel Spencer (acting director to 1 May 2016)

Director of National Services

Peter Watt (to 28 February 2018)
 Claire Johnson (Acting director from
 1 February 2018)

Director of People

Brett Terry (from 30 January 2018)
 Pam Medcalf (Acting director from 1 July 2017
 to 30 March 2018)
 Siobhan Sheridan (to 7 July 2017)

Director of Strategy, Policy and Evidence

Kate Stanley

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

One Churchill Place
 London E14 5HP

The Co-operative Bank Plc

9 Prescott Street
 London E1 8BE

Auditor**Deloitte LLP**

Registered Auditor
 2 New Street Square
 London EC4A 3BZ

Legal advisors**Bates Wells & Braithwaite**

10 Queen Street Place
 London EX4R 1BE

Bond Dickinson

4 More London Riverside
 London SE1 2AU

Charles Russell

5 Fleet Place
 London EC4M 7RD

Wilson's Law

4 Lincoln's Inn Fields
 London WC2A 3AA

Withersworldwide

16 Old Bailey
 London EC4M 7EG
 (who also give us advice on a pro-bono basis)

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

General Counsel's Office

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

Baker & McKenzie

100 New Bridge Street
 London EC4V 6JA

Clifford Chance

10 Upper Bank Street
 London E14 5JJ

DLA Piper

3 Noble Street
 London EC2V 7EE

Drystone Chambers

35 Bedford Row
 London
 WX1R 4JH

Gowling WLG

3 Waterhouse Square
 142 Holborn
 London EC1N 2SW

Matrix Chambers

Griffin Building
 Gray's Inn London
 WC1R 5LN

Simmons and Simmons

CityPoint
 One Ropemaker Street
 London EC2Y 9SS

Walker Morris

Kings Court
 12 King Street
 Leeds LS1 2HL

Weil, Gotshal & Manges

110 Fetter Lane
 London EC4A 1AY



Summary

Our goal is always to do the most for children with the limited resources that we have. This year we have reached more children than ever before with reduced expenditure.

Although we have received less income this year, income from supporters (donations and legacies, and other trading activities) remains at 89.2 per cent of total income received, which continues to illustrate the clear mandate we hold to act on behalf of the public to protect children.

We would like to thank everyone who has stood with us in the fight for every childhood over the past year, and who continue to support our work. We have provided a detailed section on our relationship with donors and funders on page 52.

Despite the decrease in expenditure, the amount we spent to directly help children and families increased to £93.4 million (it was £91.0 million in the previous year) with our charitable expenditure ratio increasing to 80.4 per cent of our total expenditure.*

How we helped children

Although our total expenditure for the year reduced to £116.6 million (2017: £121.1 million), the amount spent to directly help children and families increased to £93.4 million (2017: £91.0 million). Over the past year we have reached more children than ever before, a significant part of this increase due to our pioneering *Speak out. Stay safe.* programme, which delivers safeguarding messages to children in primary schools right across the UK and Channel Islands.

Expenditure on Childline and our schools service increased by £0.4 million to £20.7 million (2017: £20.3 million). This year our schools service visited over 8,000 schools (2017: over 7,800) reaching almost 1.8 million children (2017: over 1.6 million children) talking to them

about how they can stay safe. We also delivered almost 280,000 counselling sessions through Childline (2017: over 295,000). This year saw the completion of the Doing More for Children programme, with the long-term goal to provide a better service to children today and enable us to have a more adaptable and supportable system to meet their needs tomorrow. This year also saw the launch of our new Childline app 'For Me' providing one-to-one chats with counsellors, which you can read more about on page 26.

Expenditure on child protection advice and awareness increased by £4.3 million to £27.0 million (2017: £22.7 million). During the year, our helpline responded to over 65,000 contacts in relation to child welfare, a slight decrease on last year which was our highest ever number (2017:

over 66,000). We continue to run helplines in response to particular topics and issues, and this year we incurred an additional £0.1 million to operate a helpline service for anyone affected by the terrorist attack on Manchester Arena in May 2017, which was fully funded by the Greater Manchester Combined Authority – you can read more about it on page 27. We also increased investment in our national Talk PANTS campaign this year, in order to build on its success so far – and you can find out about it on page 20. We have also continued our focus on online safety through our Share Aware campaign, which you can read more about on page 37.

Expenditure on child protection consultancy increased by £0.6 million to £4.8 million (2017: £4.2 million). This year we have expanded our e-learning team to help us generate, deliver and promotion, e-learning products and in addition, we have a project team in place to deliver a new learning management system next year. The Child Trafficking Advice Centre team also received funding from the Home Office through the Modern Slavery Innovation Fund to deliver an overseas training programme in Ghana and Vietnam.

Expenditure on services for children and families reduced by £2.9 million on the previous year to £40.9 million (2017: £43.8 million). This reduction is primarily due to the full year effect of the restructuring actions taken in 2016/17 which

included our decision to cease the delivery of intensive services in nine of our locations and to restructure the delivery of services in London.

Total expenditure on charitable activities was £2.4 million higher than last year at £93.4 million (2017: £91.0 million), and we increased the proportion of charitable expenditure to 80.4 per cent (2017: 79.3 per cent) of our total expenditure*.

At the beginning of 2016/17 we had suspended a number of our fundraising marketing activities responding to concerns raised about practices in the sector. Although we resumed some door-to-door recruitment this year, our expenditure on raising donations and legacies reduced by £1.0 million to £18.2 million (2017: £19.2 million), and expenditure on other trading activities reduced by £0.2 million to £4.3 million (2017: £4.5 million).

Our efforts over the years to streamline all that we do have enabled us to continually reduce support costs, which in 2012 were 7.0 per cent of our total expenditure and are now 4.6 per cent at £5.3 million (2017: £5.6 million, 4.6 per cent). Support costs include expenditure on governance activities of £0.5 million (2017: £0.5 million). Governance costs include the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements and strategic planning.

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Support costs	5,332	5,627	5,979	6,356	6,377	6,578	9,651
% Total expenditure	4.6%	4.6%	4.7%	5.0%	5.0%	5.4%	7.0%

The support we received

This year our total income reduced by £9.1 million to £118.3 million (2017: £127.4 million). As anticipated, in this challenging environment, there has been a decline in income from individual giving, coupled with a reduction in legacy income and income from charitable activities.

Overall income from donations and legacies fell by £6.7 million to £97.2 million (2017: £103.9 million). Income from individual giving including

regular donations reduced by £3.3 million to £55.5 million (2017: £58.8 million), continuing the decline experienced over recent years, with the number of committed regular giving relationships reducing in line with expectations to 542,000 (2017: 570,000). This year, we re-established a number of face-to-face acquisition channels and, as a result, acquired just under 19,000 new regular donors, an increase of 12,000 from 2017. We continue to explore a variety of new ways to encourage the public to support our vital work.

Last year we experienced a record year for legacy income which totalled £25.1 million, this year income decreased by £3.6 million to £21.5 million (2017: £25.1 million), due to a reduced number of notifications, and a decrease in the number of high value donations. During the year we received an extremely generous legacy from Lisette Crader, estimated to be around £3 million (of which £2 million has been recognised within 2017/18) – which you can read more about on page 39. Other voluntary income streams increased by £0.2 million in aggregate.

Income from trading activities decreased by £1.4 million to £8.3 million (2017: £9.7 million). Within this income from fundraising events reduced by £1.5 million to £4.8 million (2017: £6.3 million), following the success of the celebration of 30 years of Childline last year, this year saw a £0.7 million reduction in income from the Childline Ball and our carol concert – Childline’s Merry Little Christmas. Last year we also ran our biennial River Café event which generated £0.5 million and did not take place in 2017/18.

Income from charitable activities, received primarily from government and other statutory sources, through grants and contracts, decreased by £1.2 million to £11.5 million (2017: £12.7 million). We received £0.5 million less funding for non-statutory performance related grants, as last year we received £0.6 million from UEFA funding child protection in sport, offset by two smaller grants received this year. We also received £0.5 million less in statutory funding, last year we received £0.2 million from the Home Office to set up the whistleblowing advice line and although the advice line continues to operate, income has reduced by £0.2 million due to reduced call volumes. We also received £0.2 million less funding from Big Lottery for Blackpool Better Start, which you can read more about on page 17. This was offset by an additional £0.1 million to operate a helpline service for anyone affected by the terrorist attack on Manchester Arena in May 2017 as above.

Although we have received less income this year, income from supporters (donations and legacies, and other trading activities) remains at 89.2 per cent of total income received, which continues to illustrate the clear mandate we hold to act on behalf of the public to protect children. We would like to thank all of our supporters for their commitment to

the cause and their passion for what we do, which leads them to give generously in so many ways. This support is as vital as it’s ever been, and we simply could not reach the children who need us without our supporters standing with us.

Reserves

Total funds now stand at £73.9 million, an increase of £3.8 million compared to last year. We aim to retain sufficient general funds in a range equivalent to approximately three to five months’ forward expenditure. We hold these general reserves in case of any sudden decline in income, so that we can honour our commitments to children and young people by ensuring contractual obligations to staff, premises and funding partners can be made with some confidence. At 31 March 2018 unrestricted general funds were £64.0 million (2017: £61.8 million), however, the actuarial valuation of our closed defined benefit pension scheme has resulted in a pension deficit and a negative pension reserve of £18.0 million a reduction of £3.0 million against last year (2017: £21.0 million). Further details on pensions are given in the pensions section below. Our combined unrestricted general funds, including the pension reserve, total £46.0 million (2017: £40.8 million) and are equivalent to 4.6 months forward expenditure (2017: 4.0 months).

At 31 March 2018 designated funds were £18.9 million (2017: £19.2 million). Designated funds are funds set aside by the trustees out of general funds to cover the value of property fixed assets held, which includes freehold and leasehold properties, or to fund specific future purposes or projects. Currently the designated fund balance relates to property fixed assets, with a land value of £1.3 million and depreciating property assets of £17.0 million. The remaining average depreciation time for these property assets is 25 years.

At 31 March 2018 restricted funds were £7.7 million (2017: £8.6 million). Restricted funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Of the restricted funds represented by tangible fixed assets, £6.0 million relates to freehold and leasehold property, with a land value of £0.8 million and depreciating assets of £5.2 million with a remaining average depreciation time of 35 years.

A further £1.0 million relates to development software intangible fixed assets with a remaining average depreciation time of four years. Included in restricted funds is a further £0.1 million, which relates to restricted donations to be spent on intangible fixed asset development software. The remaining balance of restricted funds at 31 March 2018 represents unspent restricted income of £0.6 million predominantly for Childline and our schools service which will be used to fund future activities.

Investments and cash

Following a review of our investment policy it was agreed investments held in pooled funds would be reinvested in the new financial year into direct holdings held by Credit Suisse and JP Morgan. The investment managers will actively manage the investments and apply a set of ethical screens using industry recognised screening tools

provided by MSCI ESG (Environmental, Social and Governance) Research and ECPI Research.

At 31 March 2018 fixed asset investments totalled £64.2 million (2017: £55.3 million) of which £26.8 million was held in fixed interest bonds (2017: £27.9 million), and £36.5 million was held in bank deposits (2017: £27.4 million) and £0.9 million in investment property (2017: £nil). Current investments and cash were £4.0 million (2017: £13.4 million), comprising operational cash held plus overnight money market investments. The move from current to fixed investments reflects our aim to keep a maximum of £5.0 million in current investments as working capital. The return on cash investments, excluding bonds, for the year ending 31 March 2018 was 0.5 per cent (2017: 0.4 per cent). We also earned rental income of £0.1 million (2017: £nil) from our investment property.

The table below shows the performance of our bond investments at 31 March 2018:

Investment fund	Investment objective	Fund value 31 March 2018 £'000	Yield %	Total return % (net of fees)	Bench-mark %	Variance %	Bench-mark used
Henderson Preference and Bond Fund	To remain competitive with other investment funds comprised in the peer group used as the Performance Benchmark for this Asset Class.	4,604	3.3	2.42	n/a	n/a	n/a [†]
M&G Corporate Bond Fund, Sterling I class	To achieve a higher total return from investment than would be obtainable in UK government fixed interest securities (i.e. gilts) of similar maturities.	11,387	3.61	2.1	1.7	0.4	IA £ Corporate Bond sector
NSPCC tailored bond fund	To adhere to NSPCC set criteria for required ratings of investments, exposure to single issuer and maximum duration.	10,846	0.68	(0.04)	0.05	(0.09)	3 month LIBOR

As at 31 March 2018, all NSPCC bond funds were held by Credit Suisse. Therefore, the fund performance disclosed above are as at the date of transfer. NSPCC bonds continue to be custodied with the intention of migrating into a new portfolio.

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

Pensions

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

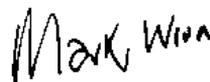
The valuation of the defined benefit pension scheme is based on the latest triennial actuarial valuation as at 31 March 2015, and this showed a deficit of £17.0 million. We have currently agreed with the scheme trustees that we will aim to eliminate the current deficit over a period of seven years and nine months from 5 April 2015 by the payment of £1.0 million per annum until 31 March 2017 and £2.0 million per annum from 1 April 2017 to 31 December 2022. These contributions include £0.4 million per annum as an allowance in respect of levies to the Pensions Protection Fund, scheme management and administration expenses. The recovery plan also agreed balloon payments of £3.5 million in March 2019 and £3.3 million in March 2022, in the event that the deficit assessed at 31 March 2018 or 31 March 2021 exceeds the expected deficit based on the statement of funding principles dated 22 September 2016. The trustees consider that the pension deficit is recoverable from future cash flows.

The basis of calculating a pension surplus and deficit for funding purposes is different to the basis that needs to be adopted to determine an accounting valuation under FRS 102. The FRS 102 valuation as at 31 March 2018 showed assets of £168.4 million with liabilities of £186.4 million giving a deficit of £18.0 million (2017: a deficit of £21.0 million).

Going concern

We have outlined the charity's financial position and performance in the financial review above. We have assessed projected future income, expenditure and cash flows over the period to 31 March 2020, and analysed the strength of the charity's reserves, liquid assets and its ability to withstand a material fall in income. We have considered donor attrition rates and the stability and diversity of various income streams in making this assessment, particularly in light of the fundraising challenges experienced in the past year.

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



Mark Wood
Chairman
19 July 2018

*Expenditure on charitable activities is 80.4 per cent (2017: 79.3 per cent) of total expenditure excluding other expenditure.

Independent auditor's report

to the trustees of the NSPCC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2018 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and the Royal Charter.

We have audited the financial statements of NSPCC (the 'charity') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of financial activities;
- the consolidated and parent charity balance sheets;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the

FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception.

Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and 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.

We have nothing to report in respect of these matters.

Deloitte LLP

Deloitte LLP
Statutory Auditor
London, United Kingdom
19 July 2018

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

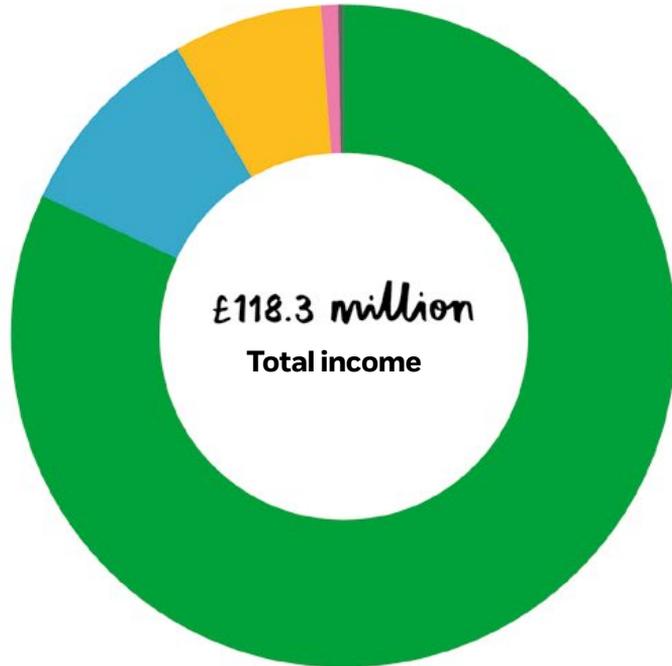
The support we received

£97.2 million
(82.2%)

Donations and legacies

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

(£103.9 million in 2017)



£11.5 million
(9.7%)

Income from carrying out our charitable work

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

(£12.7 million in 2017)

£8.3 million
(7.0%)

Other trading activities

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

(£9.7 million in 2017)

£1.2 million
(1.0%)

Investment income

Income received from our bank accounts and investment holdings.

(£1.0 million in 2017)

£0.1 million
(0.1%)

Other income

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

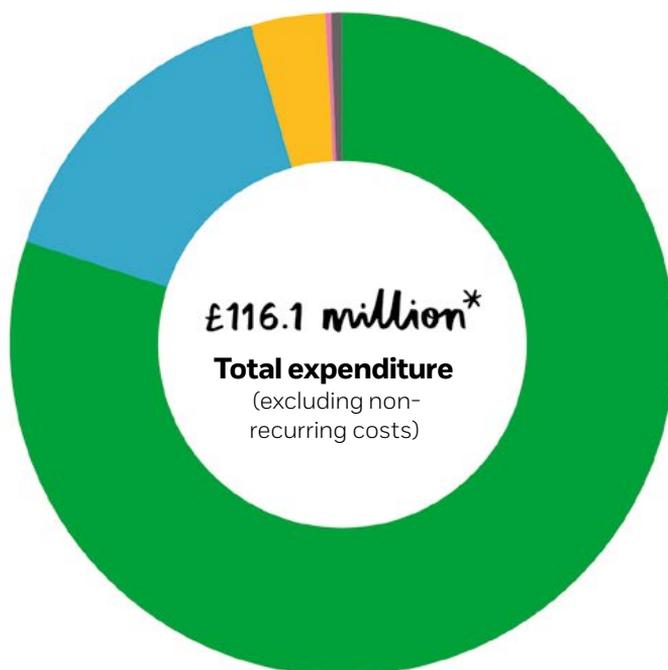
(£0.1 million in 2017)

**£93.4 million
(80.4%)**

Charitable expenditure

The cost of undertaking direct charitable activities which are defined under the following headings: (£91.0 million in 2017)

- Services for children and families £40.8 million (£43.8 million in 2017)
- Childline and the Schools service £20.7 million (£20.3 million in 2017)
- Child protection advice and awareness £27.0 million (£22.7 million in 2017)
- Child protection consultancy £4.8 million (£4.2 million in 2017)



**£18.2 million
(15.7%)**

Raising donations and legacies

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

(£19.2 million in 2017)

**£4.3 million
(3.7%)**

Other trading activities

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

(£4.5 million in 2017)

**£0.2 million
(0.2%)**

Investment management costs

The cost of managing our investments.

(£0.1 million in 2017)

£0.5 million

Other*

Other costs incurred which are of a non-recurring nature.

(£6.4 million in 2017)

*Total expenditure was £116.6 million (£121.1 million in 2017) including other expenditure of £0.5 million (£6.4 million in 2017). These costs have been excluded from the figures presented above as they are non-recurring.

NSPCC Consolidated Statement of Financial Activities

for the year ended 31 March 2018

	Notes	Unrestricted funds £'000	Restricted & endowment funds [i] £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Income from:					
Donations and legacies	3	88,240	8,978	97,218	103,898
Charitable activities	4	4,070	7,439	11,509	12,673
Other trading activities	3	5,626	2,664	8,290	9,689
Investments	3	1,236	5	1,241	1,067
Other	5	70	–	70	80
Total income		99,242	19,086	118,328	127,407
Expenditure on:					
Raising donations and legacies	6	17,826	422	18,248	19,160
Other trading activities	6	4,279	18	4,297	4,510
Investment management costs	6	181	3	184	126
Raising funds		22,286	443	22,729	23,796
Net income available for charitable application		76,956	18,643	95,599	103,611
Expenditure on:					
Services for children and families		32,952	7,891	40,843	43,793
Childline and the Schools Service		11,346	9,329	20,675	20,276
Child protection advice and awareness		25,567	1,448	27,015	22,658
Child protection consultancy		3,931	913	4,844	4,230
Charitable activities	6	73,796	19,581	93,377	90,957
Other	6	542	–	542	6,371
Total expenditure		96,624	20,024	116,648	121,124
Net income before investment gains / (losses)		2,618	(938)	1,680	6,283
Net (losses)/gains on investments	14	(37)	(10)	(47)	578
Net income		2,581	(948)	1,633	6,861
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension scheme	21	2,185	–	2,185	(21,491)
Net movement in funds		4,766	(948)	3,818	(14,630)
Reconciliation of funds:					
Total funds brought forward		60,063	10,019	70,082	84,712
Total funds carried forward		64,829	9,071	73,900	70,082

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

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

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

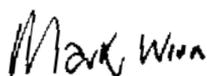
NSPCC and Consolidated Balance Sheets

as at 31 March 2018

	Notes	Group		Charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Tangible assets	12	25,335	27,024	25,335	27,024
Intangible assets	12	4,760	5,347	4,760	5,347
Investments	14	64,194	55,292	64,194	55,292
Total fixed assets		94,289	87,663	94,289	87,663
Current assets					
Debtors	15	12,572	10,799	12,623	10,808
Investments	16	3,445	12,030	3,445	12,030
Cash at bank and in hand	16	513	1,408	306	1,204
Total current assets		16,530	24,237	16,374	24,042
Creditors: Amounts falling due within one year	17	(14,545)	(14,809)	(14,419)	(14,644)
Net current assets		1,985	9,428	1,955	9,398
Total assets less current liabilities		96,274	97,091	96,244	97,061
Creditors - amounts falling due after one year	18	(338)	(673)	(338)	(673)
Provisions for liabilities	19	(4,032)	(5,327)	(4,032)	(5,327)
Net assets excluding pension scheme liability		91,904	91,091	91,874	91,061
Defined benefit pension scheme liability	21	(18,004)	(21,009)	(18,004)	(21,009)
Total net assets		73,900	70,082	73,870	70,052
Total funds					
Endowment funds	23	1,390	1,403	1,390	1,403
Restricted income funds	23	7,681	8,616	7,681	8,616
<i>Unrestricted funds:</i>					
Designated funds	23	18,866	19,240	18,866	19,240
General funds	23	63,967	61,832	63,937	61,802
<i>Unrestricted funds excluding pension liability</i>		82,833	81,072	82,803	81,042
Pension reserve	23	(18,004)	(21,009)	(18,004)	(21,009)
<i>Total unrestricted funds</i>		64,829	60,063	64,799	60,033
Total funds		73,900	70,082	73,870	70,052

The accompanying notes form part of these accounts.

Approved by the Board of Trustees on 19 July 2018 and signed on its behalf by



Mark Wood
Chairman



John Worth
Treasurer

Consolidated Cash Flow Statement

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for the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	a	(1,228)	11,139
Cash flows from investing activities:			
Dividends and interest from investments		1,241	1,067
Proceeds from the sale of tangible and intangible fixed assets		228	80
Purchase of tangible and intangible fixed assets		(1,275)	(3,325)
Proceeds from sale of investments		17,321	31,156
Purchase of investments		(25,767)	(39,125)
Net cash used in investing activities		(8,252)	(10,147)
Change in cash and cash equivalents in the reporting period		(9,480)	992
Cash and cash equivalents at the beginning of the reporting period	b	13,438	12,446
Cash and cash equivalents at the end of the reporting period	b	3,958	13,438

Notes to the cash flow statement

	2018 £'000	2017 £'000
a. Reconciliation of net income to net cash flow from operating activities		
Net income	1,633	6,861
Adjustments for:		
Depreciation and amortisation charges	3,073	3,375
Impairment charges	(182)	2,114
Losses/(gains) on investments	47	(578)
Dividends and interest from investments	(1,241)	(1,067)
Profit on the sale of tangible and intangible fixed assets	(70)	(80)
(Increase)/decrease in debtors	(1,773)	545
(Decrease) in creditors	(599)	(946)
(Decrease)/increase in other provisions	(1,295)	1,397
Difference between pension contributions paid and charges made	(821)	(482)
Net cash provided by operating activities	(1,228)	11,139
b. Analysis of cash and cash equivalents		
Cash at bank and in hand	513	1,408
Current investments	3,445	12,030
Total cash and cash equivalents	3,958	13,438

Notes to the Consolidated Accounts

for the year ended 31 March 2018

1. Accounting policies

1.1 Basis of accounting

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

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

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

1.2 Consolidated accounts

The results of NSPCC Trading Company Limited (the “Trading Company”) and Childline, which are wholly-owned subsidiaries, have been consolidated on a line-by-line basis in the

Statement of Financial Activities (SOFA) and Balance Sheet. A summary of the results of the parent charity are given within note 11.

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

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

1.3 Principal accounting estimates and judgements

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

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates, along with their underlying assumptions, are continually reviewed. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is a critical judgement that has been made in the process of applying the Charity’s

accounting policies and that has the most significant effect on the amounts recognised in the financial statements:

- Legacy income recognition: Income from pecuniary and residuary legacies are recognised when there is entitlement and the income is measurable and probable as detailed within accounting policy 1.5.

The following are the key sources of estimation uncertainty:

- Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy 1.6.
- Actuarial assumptions: See detailed disclosure within note 21.

1.4 Financial instruments and financial liabilities

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

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.5 Income

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

For pecuniary legacies the recognition point is normally when notification of the grant of probate is received, and residuary legacies are normally recognised when draft estate accounts are available or other suitable information which allows the legacy to be measured with reasonable accuracy. Income is not recognised for legacies which remain subject to a life interest.

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

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

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

1.6 Expenditure

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

Charitable activities expenditure enables the Society to meet its charitable aims and objectives. Expenditure on raising funds includes expenditure incurred in raising donations and legacies, other trading activities and investment management

costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Expenditure is apportioned where it relates to more than one cost category, such as communication with the public around child protection advice and awareness with the parallel purpose of encouraging potential donors to contribute funds to the Society. The method of apportionment uses the most appropriate basis in each case. Marketing activities with the dual purpose of generating funds and informing the public about child protection are allocated based on content. An analysis of the split between directly attributable costs and allocated costs incurred for fundraising activities and child protection advice and awareness is detailed within note 7.

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

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

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

1.7 Fund Accounting

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

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

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

when making the gift, or may result from the terms of an appeal for funds.

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

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

1.8 Tangible and intangible fixed assets

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

Freehold property – 50 years

Leasehold property – the shorter of the lease term or 50 years

Furniture, fittings and equipment – 5 years

Major software development – 5 years

Other computer software & hardware – 2 years

No depreciation is provided on freehold land.

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

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

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

1.9 Investments

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

Investment properties are held by the charity to earn rentals or for capital appreciation, or both rather than for use by the entity. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. They are subsequently held at fair value with the fair value assessment being conducted triennially by an independent valuer. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

No depreciation is provided on the investment properties and changes in fair value are recognised in the Statement of Financial Activities.

Rental income from operating leases is recognised as income from investments in the Statement of Financial Activities on a straight line basis over the term of the lease.

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.

1.10 Pension costs

The NSPCC defined benefit scheme is closed to new entrants and to further accrual. The assets of the scheme are held separately from those in the group, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. Whilst the scheme includes a provision to allow the Society to claim a refund after the payment of all outstanding benefits, the scheme trustees retain full discretion over whether to grant such a refund and may instead apply any balance of assets to augment members' benefits. As such, the Society does

not recognise an asset in respect of potential future refunds. Full actuarial valuations are obtained triennially.

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

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

1.11 Operating leases

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

1.12 Tax

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

1.13 Cash flow

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

2. Consolidated Statement of Financial Activities with fund comparatives

	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2018 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2017 £'000
Income from:						
Donations and legacies	88,240	8,978	97,218	91,115	12,783	103,898
Charitable activities	4,070	7,439	11,509	4,162	8,511	12,673
Other trading activities	5,626	2,664	8,290	7,226	2,463	9,689
Investments	1,236	5	1,241	1,061	6	1,067
Other	70	–	70	80	–	80
Total income	99,242	19,086	118,328	103,644	23,763	127,407
Expenditure on:						
Raising donations and legacies	17,826	422	18,248	19,138	22	19,160
Other trading activities	4,279	18	4,297	4,508	2	4,510
Investment management costs	181	3	184	123	3	126
Raising funds	22,286	443	22,729	23,769	27	23,796
Net income available for charitable application	76,956	18,643	95,599	79,875	23,736	103,611
Expenditure on:						
Services for children and families	32,952	7,891	40,843	34,880	8,913	43,793
Childline and the Schools Service	11,346	9,329	20,675	7,448	12,828	20,276
Child protection advice & awareness	25,567	1,448	27,015	22,049	609	22,658
Child protection consultancy	3,931	913	4,844	3,327	903	4,230
Charitable activities	73,796	19,581	93,377	67,704	23,253	90,957
Other	542	–	542	6,334	37	6,371
Total expenditure	96,624	20,024	116,648	97,807	23,317	121,124
Net income before investment gains/(losses)	2,618	(938)	1,680	5,837	446	6,283
Net (losses)/gains on investments	(37)	(10)	(47)	563	15	578
Net income	2,581	(948)	1,633	6,400	461	6,861
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension scheme	2,185	–	2,185	(21,491)	–	(21,491)
Net movement in funds	4,766	(948)	3,818	(15,091)	461	(14,630)
Reconciliation of funds:						
Total funds brought forward	60,063	10,019	70,082	75,154	9,558	84,712
Total funds carried forward	64,829	9,071	73,900	60,063	10,019	70,082

3. Analysis of income from raised funds

	2018	2017
	£'000	£'000
Donations and legacies:		
Individual giving including regular donations	55,546	58,755
Legacies	21,512	25,079
Regional and community fundraising	7,991	9,240
Corporates, trusts and major donors	7,859	7,527
Schools fundraising	2,278	2,288
Other donations and gifts	2,032	1,009
Total	97,218	103,898
Other trading activities:		
Fundraising events	4,783	6,251
Sale of goods and other activities*	3,507	3,438
Total	8,290	9,689
Investments:		
Dividends - UK	2	2
Interest	1,128	1,065
Rents from investment property	111	-
Total	1,241	1,067

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

Donated goods and services amounted to £308,000 (2017 £509,000), of which £293,000 (2017 £383,000) has been recognised within Other donations and gifts and £15,000 (2017 £126,000) within Corporates, trusts and major donors.

Donations and legacies includes £nil (2017 £288,000) income received for a capital purpose recognised within Other donations and gifts.

Income from donations and legacies includes £6,410,000 from non-performance related grants (2017 £6,739,000), of which £1,156,000 are government grants (2017 £1,126,000). There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year. None of the income received from government grants has been used to fund political campaigning.

Although required to disclose the aggregate donated by trustees the Society recognises that all of our trustees give their time on a voluntary basis and make valuable non-financial contributions. Total trustee donations of £182,000 (2017 £75,000) have been received in the year, of which £16,000 (2017 £38,000) was restricted. Included in fundraising events is £12,000 (2017 £15,000) income reflecting trustee support for other trading activities (such as the purchase of tickets).

4. Analysis of income from charitable activities

Income raised by the following child protection activities:

	Statutory funding		Non-Statutory funding		Total 2018 £'000	Total 2017 £'000
	Contracts and fees £'000	Performance related grants £'000	Contracts and fees £'000	Performance related grants £'000		
Services for children and families	1,554	3,499	443	–	5,496	6,175
Childline and the schools service	–	2,053	15	34	2,102	2,017
Child protection advice and awareness	117	530	26	–	673	815
Child protection consultancy	314	692	2,207	25	3,238	3,666
Total	1,985	6,774	2,691	59	11,509	12,673

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

Income from charitable activities includes £6,833,000 from performance related grants (2017 £7,638,000), of which £6,774,000 are government grants (2017 £7,062,000). There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year. Other forms of government assistance include income from statutory contracts and fees of £1,985,000 (2017 £2,239,000). None of the income received from government grants has been used to fund political campaigning.

Statutory contracts and fees include donated services and facilities under service level agreements (SLAs) of £42,000 (2017 £94,000) in respect of staff secondments, and £15,000 (2017 £15,000) in respect of premises and other facilities which have been recognised as gifts in kind.

Statutory performance related grants include £nil (2017 £nil) income received for a capital purpose.

5. Analysis of other income

	2018 £'000	2017 £'000
Profit from sale of tangible and intangible fixed assets	70	80
Total	70	80

6. Analysis of total expenditure

	Notes	Direct Costs £'000	Support Costs £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds:					
Expenditure on raising donations and legacies:					
Individual giving including regular donations		6,399	153	6,552	6,809
Legacies		1,280	55	1,335	1,548
Regional and community fundraising		5,125	211	5,336	5,573
Corporates, trusts and major donors		3,565	142	3,707	3,810
Schools fundraising		1,155	77	1,232	1,161
Other donations and gifts		74	12	86	259
Total		17,598	650	18,248	19,160
Expenditure on other trading activities:					
Fundraising events		3,187	138	3,325	3,508
Sale of goods and other activities		947	25	972	1,002
Total		4,134	163	4,297	4,510
Investment management costs		184	–	184	126
Total expenditure on raising funds	7	21,916	813	22,729	23,796
Expenditure on charitable activities:					
Services for children and families		38,637	2,206	40,843	43,793
Childline and the schools service		19,543	1,132	20,675	20,276
Child protection advice and awareness	7	26,028	987	27,015	22,658
Child protection consultancy		4,650	194	4,844	4,230
Total expenditure on charitable activities		88,858	4,519	93,377	90,957
Other expenditure:					
Dilapidations		(248)	–	(248)	99
Restructuring		(208)	–	(208)	3,640
Impairments		(182)	–	(182)	2,114
Defined benefit pension costs (see note 21)		1,180	–	1,180	518
Total other expenditure		542	–	542	6,371
Total expenditure		111,316	5,332	116,648	121,124

Included in total expenditure is irrecoverable Value Added Tax of £4,522,000 (2017 £4,546,000).

Included in total expenditure are grant payments of £1,347,000 have been made to institutions to perform charitable activities, of which £1,219,000 (2017 £1,783,000) are grants to Blackpool council for delivery of services for the Big Lottery funded 'Better Start' programme, £113,000 (2017 £981,000) are grants to various institutions for research programmes into child protection and prevention and £15,000 (2017 £19,000) are grants to other institutions to promote children's rights and evidence based practice.

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

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

The activities underlying the costs above under each heading are:

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

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

Child protection advice and awareness - work in partnership with adults across the UK, empowering them to take action on behalf of children. This includes the NSPCC helpline (telephone and online services) providing advice and support to adults; the Child Trafficking Advice Centre (CTAC); the provision of comprehensive and expert information services; public campaigning and government lobbying; and activities to raise awareness and influence behaviour within adult audiences.

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

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

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

	2018	2017
	£'000	£'000
Total expenditure is stated after charging:		
Operating lease rentals:		
Land and buildings	1,113	2,777
Other	293	383
Fees payable to the Charity's auditor for:		
Statutory audit of the Charity and Group accounts	98	96
Statutory audit of the Charity's subsidiaries' accounts	7	6
Total audit fees	105	102
Other assurance services	8	8
Tax advisory services	–	2
Other consultancy	4	–
Total non-audit fees	12	10
Charges on owned assets:		
Depreciation and amortisation	3,073	3,375
Impairment	(182)	2,114
Trustees' expenses:		
Trustees' travel, subsistence and other expenses	13	15

Our trustees are based all over the United Kingdom and give their time on a voluntary basis; the trustees are not entitled to and did not receive any remuneration or other benefits during the year (2017 £nil).

Total trustee expenses of £13,000 (2017 £15,000) were incurred in the year, in respect of eight trustees (2017 eleven). In addition the Society paid indemnity insurance in respect of the trustees of £8,000 (2017 £8,000).

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

7. Child protection advice and awareness

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

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

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

	2018		2017	
	Raising funds	Child protection advice and awareness	Raising funds	Child protection advice and awareness
	£'000	£'000	£'000	£'000
Charged directly	8,068	11,957	10,322	10,649
Allocated costs	13,848	14,071	12,620	10,972
Direct costs allocated	21,916	26,028	22,942	21,621
Support costs allocated	813	987	854	1,037
Total	22,729	27,015	23,796	22,658

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

8. Allocation of support costs

Type of cost	Raising funds	Charitable activities	Total 2018	Total 2017
	£'000	£'000	£'000	£'000
Central management and administration	543	2,941	3,484	3,698
Premises, infrastructure and communications	197	1,169	1,366	1,399
Governance	73	409	482	530
Total support costs allocated	813	4,519	5,332	5,627

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

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

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

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

9. Employees

	2018	2017
	£'000	£'000
Total staff costs recognised in the year		
Wages and salaries	55,686	56,651
Social security costs	5,887	5,761
Pension costs	5,329	3,835
Other forms of employee benefits	1,586	1,438
Total	68,488	67,685

Redundancy costs of £262,000 have been paid (2017 £1,849,000). The amount expensed in the accounts is £95,000 (2017 £1,616,000).

Included within pension costs of £5,329,000 (2017 £3,835,000) are costs relating to the defined contribution scheme of £4,149,000 (2017 £3,317,000) and costs relating to the defined benefit scheme of £1,180,000 (2017 £518,000). Pension costs in relation to the defined benefit pension scheme are detailed within note 21.

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

The average number of employees on the payroll for the year was 1,889 (2017 1,949). The average number of employees, calculated on a full time equivalent basis for the year was 1,672 (2017 1,732). The NSPCC operates a family-friendly policy including part-time work and job-sharing. The above numbers include staff responsible for the management and support of the volunteers.

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

	2018	2017
	Number	Number
Activities to end cruelty to children	1,337	1,381
Raising funds	207	211
Support and governance	128	140
Total	1,672	1,732

The number of employees whose total employee benefits (excluding employer pension and national insurance costs) for the reporting period amounted to over £60,000 was as follows:	2018	2017
	Number	Number
£170,001 - £180,000	1	1
£130,001 - £140,000	2	1
£120,001 - £130,000	1	3
£110,001 - £120,000	2	1
£100,001 - £110,000	-	1
£90,001 - £100,000	3	3
£80,001 - £90,000	4	3
£70,001 - £80,000	18	12
£60,001 - £70,000	24	24
Total	55	49

The table above does not include termination benefits paid in the year. If these were included, one employee in the banding of £70,001-£80,000 would be included in the banding £80,001-£90,000 (2017 none), no additional employees would be included in the banding £60,001-£70,000 (2017 one), none in the banding £70,001-£80,000 (2017 one), none in the banding £80,001-£90,000 (2017 two) and none in the banding £100,001-£110,000 (2017 one).

	2018	2017
	£'000	£'000
Key management personnel - Group and Charity		
Total employee benefits* received by the Executive board for their services during the year	1,168	1,130

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

10. Contribution from volunteers

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

- Our Childline service delivers 24/7 support to children throughout the year. Our Childline counselling service delivered almost 280,000 counselling sessions (2017 over 295,000 sessions) with the help of over 1,300 volunteer counsellors (2017 1,400 volunteer counsellors) providing over 157,000 hours (2017 over 181,000 hours).
- Our *Speak out. Stay safe.* programme delivers assemblies and workshops in primary schools to equip pupils with the knowledge and resilience to protect themselves from abuse, and the confidence to seek help. This year, with the help of over 800 School Services volunteers (2017 over 900 School Services volunteers) we've visited over 8,000 schools (2017 visited over 7,800 schools) reaching just under 1,800,000 children across the UK (2017 reaching over 1,600,000 children).
- Supporting our fundraising team, there are a number of Special Events Committees, Volunteer and Business Boards, each focussing on NSPCC activities they feel particularly passionate about, and where their skills and expertise can be best utilised. Our Board and Committee members use their expertise and contacts from their own fields of business, employing a range of fundraising techniques, from corporate introductions to charity event creation, securing major gifts and legacies, and raising awareness. In the year, the Boards and Committees supported our fundraising team in generating income of £3,568,000 (2017 £4,021,000).
- We have 155 branches and over 550 districts (2017 175 branches and over 700 districts) raising funds around the UK, with around 5,600 members (2017 around 6,700 members) who raised over £2,500,000 (2017 over £2,800,000) in the year through organising local community fundraising events. A review of branches and districts has been performed in the year, which resulted in a number of closures due to inactivity.
- In addition there are approximately 133 volunteers (2017 approximately 100 volunteers) working in our service centres across the country in a range of roles, from providing support through our young witness service in Northern Ireland, to transporting families to and from our centres, representing parents in the target group for our "Blackpool Better Start" programme, and offering advice to new mums.

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

11. Subsidiary companies and their activities

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

NSPCC Trading Company Limited

NSPCC Trading Company Limited (NSPCC Trading) is incorporated in the UK (Company

registration number 00890446). The main activities consist of mail order catalogue sales, corporate sponsorships and fundraising events. There is a small amount of sales of donated goods from one NSPCC charity shop.

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

	NSPCC Trading 2018 £'000	NSPCC Trading 2017 £'000
Profit and loss account		
Revenue	2,280	1,903
Cost of sales	(86)	(108)
Gross profit	2,194	1,795
Net operating costs	(278)	(167)
Operating profit	1,916	1,628
Amount gift aided to NSPCC	(1,916)	(1,628)
Retained profit for the year	-	-
Assets, liabilities and funds:		
Assets	1,858	1,124
Liabilities	(1,828)	(1,094)
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 (company registration number 2622689, charity registration number 1003758). Childline the entity exists to receive legacy income otherwise not receivable by the NSPCC. These funds are paid by way of a grant to the NSPCC.

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

	Childline 2018 £'000	Childline 2017 £'000
Total income	316	1,304
Total expenditure	(316)	(1,304)
Net expenditure	-	-
Reconciliation of funds:		
Total funds brought forward	-	-
Funds balance carried forward	-	-
Assets, liabilities and funds:		
Assets	47	36
Liabilities	(47)	(36)
Total funds	-	-

NSPCC results (excluding subsidiaries)

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

	NSPCC excluding subsidiaries 2018 £'000	NSPCC excluding subsidiaries 2017 £'000
Total income	116,631	125,609
Total expenditure	(114,951)	(119,326)
Net (losses)/gains on investments	(47)	578
Net income	1,633	6,861
Actuarial gains/(losses) on defined benefit pension scheme	2,185	(21,491)
Net movement in funds	3,818	(14,630)
Reconciliation of funds:		
Total funds brought forward	70,052	84,682
Funds balance carried forward	73,870	70,052

Total income for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £1,916,000 (2017 £1,628,000) and the grant from Childline of £316,000 (2017 £1,304,000).

12. Tangible and intangible fixed assets

Group and Charity	Freehold property £'000	Leasehold property £'000	Furniture, fittings, and equipment £'000	Total Tangible assets £'000	Total Intangible assets £'000	Total Fixed assets £'000
Cost						
1 April 2017	28,591	15,965	6,324	50,880	17,675	68,555
Additions	128	8	427	563	712	1,275
Disposals	(463)	(785)	(337)	(1,585)	(8,212)	(9,797)
Transfers	(837)	–	–	(837)	–	(837)
31 March 2018	27,419	15,188	6,414	49,021	10,175	59,196
Depreciation and amortisation						
1 April 2017	9,927	9,291	4,638	23,856	12,328	36,184
Depreciation and amortisation	421	648	705	1,774	1,299	3,073
Impairment	(182)	–	–	(182)	–	(182)
Disposals	(306)	(785)	(337)	(1,428)	(8,212)	(9,640)
Transfers	(334)	–	–	(334)	–	(334)
31 March 2018	9,526	9,154	5,006	23,686	5,415	29,101
Net book value						
31 March 2018	17,893	6,034	1,408	25,335	4,760	30,095
31 March 2017	18,664	6,674	1,686	27,024	5,347	32,371

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

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

An independent valuation was carried out as at 31 March 2018 and as a result an impairment reversal was put through against one of our properties.

The transfer from tangible assets represents the rental of part of a property that has been reclassified as an investment property as disclosed within note 14.

13. Capital commitments

There were capital commitments of £220,000 at 31 March 2018 (2017 £270,000).

14. Investments

Group and Charity	UK fixed interest and bond funds						
	NSPCC bond fund £'000	Henderson preference & bond fund £'000	M&G corporate bond fund £'000	UK Bank deposits £'000	Investment properties £'000	Total 2018 £'000	Total 2017 £'000
Market value at 1 April	11,698	4,667	11,566	27,361	–	55,292	46,745
Transferred from fixed assets	–	–	–	–	503	503	–
Purchases at cost	7,636	164	–	17,967	–	25,767	39,125
Disposals at carrying value	(8,258)	(192)	–	(8,871)	–	(17,321)	(31,156)
Realised (loss)/gain on investment	(118)	–	–	–	–	(118)	(23)
Unrealised (loss)/gain on investment	(112)	(35)	(179)	–	397	71	601
Value at 31 March	10,846	4,604	11,387	36,457	900	64,194	55,292
Historical cost as at 31 March	10,960	4,643	8,457	36,457	837	61,354	52,183

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

The NSPCC bond fund was transferred from UBS to Credit Suisse within the year.

In the prior year investments included shares in three listed companies and three unlisted companies, which the charity accepted as donations. The listed shares were included at their market value at 31 March 2017 of £11,000 and the unlisted shares were included at their nominal value of £1 each.

At 31 March 2018 the following investments represented more than 5 per cent of the portfolio by market value:

	%	Value £'000
NSPCC bond fund	16.9%	10,846
M&G corporate bond fund	17.7%	11,387
JP Morgan liquidity fund	18.7%	12,000
Goldman Sachs liquid reserves fund	18.7%	12,000
Henderson preference and bond fund	7.2%	4,604
Barclays 95 day notice account	6.2%	4,000

With reference to FRS 102 properties that are held to generate rental income have been transferred from tangible fixed assets to investments properties. The space is leased to an NHS trust, however as their activities are not in line with NSPCC charitable objectives, this element of the property is classified as an investment property. The property has been revalued on the basis on an independent valuation carried out as at 31 March 2018.

Future minimum lease payments for rent receivable under non-cancellable operating leases on investment properties are:

Group and Charity	Total 2018 £'000	Total 2017 £'000
Less than 1 year	82	–
Between 1 and 5 years	163	–
Total	245	–

15. Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	1,953	1,459	936	1,219
Amounts owed by group undertakings	–	–	1,701	928
Prepayments	2,379	1,998	1,938	1,551
Accrued income	4,902	4,778	4,781	4,562
Other debtors	3,338	2,564	3,267	2,548
Total	12,572	10,799	12,623	10,808

16. Current investments and cash at bank and in hand

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Current investments	3,445	12,030	3,445	12,030
Cash at bank and in hand	513	1,408	306	1,204
Total	3,958	13,438	3,751	13,234

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

17. Creditors: amounts falling due within one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	1,839	2,123	1,831	2,084
Accruals	8,533	7,540	8,484	7,528
Deferred income (see note 20)	1,081	1,274	1,012	1,163
Taxation and social security	1,438	1,436	1,438	1,436
Other creditors	614	1,163	614	1,160
Grants payable	1,040	1,273	1,040	1,273
Total	14,545	14,809	14,419	14,644

18. Creditors: amounts falling due after one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Grants payable due after one year and less than five years	338	673	338	673
Total	338	673	338	673

19 Provisions for liabilities

Group and Charity	Dilapidations on leasehold			Total £'000
	properties £'000	Restructuring £'000	Other £'000	
Carrying amount at 1 April 2017	2,970	2,308	49	5,327
Additions and remeasurement	95	9	–	104
Amounts charged against the provision	(97)	(749)	–	(846)
Unused amounts reversed	(433)	(120)	–	(553)
Carrying amount at 31 March 2018	2,535	1,448	49	4,032
Commitments are likely to be met:				
Within one year	982	770	49	1,801
After one year and less than five years	1,120	678	–	1,798
After five years	433	–	–	433
Total	2,535	1,448	49	4,032

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

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

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

20. Deferred income

	1 April 2017 £'000	Deferred £'000	Released £'000	31 March 2018 £'000
Statutory sources	165	83	(165)	83
Other non-statutory sources	245	149	(245)	149
Income from fundraising activities	738	780	(738)	780
Total for the Charity	1,148	1,012	(1,148)	1,012
Income from fundraising activities	126	69	(126)	69
Total for the Group	1,274	1,081	(1,274)	1,081

The main reasons for deferrals are as follows:

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Performance related grant conditions not met	45	127	45	127
Potentially refundable income received for future events	849	865	780	739
Other deferrals	187	282	187	282
Total	1,081	1,274	1,012	1,148

2.1. 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 £4,149,000 (2017 £3,317,000). As at 31 March 2018, £462,000 was outstanding and included in creditors (2017 £353,000). Expenditure is allocated to the appropriate heading in the accounts on the basis of full time equivalent staff numbers.

NSPCC defined benefit pension scheme

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

and updated to 31 March 2018 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent actuarial valuation showed a deficit of £17,000,000. The Society has agreed with the trustees that it will aim to eliminate the deficit over a period of seven years and nine months from 5 April 2015 by the payment of £1,000,000 per annum until 31 December 2017 and £2,000,000 per annum from 1 April 2017 to 31 December 2022. These contributions include £400,000 per annum as an allowance in respect of levies to the Pensions Protection Fund, scheme management and administration expenses. The recovery plan also agreed balloon payments of £3.5 million in March 2019 and £3.3 million in March 2022, in the event that the deficit assessed at 31 March 2018 or 31 March 2021 exceeds the expected deficit based on the statement of funding principles dated 22 September 2016.

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

	31 March 2018 £'000	31 March 2017 £'000
Group and Charity		
Fair value of plan assets	168,368	169,385
Present value of defined benefit obligation	(186,372)	(190,394)
Defined benefit liability to be recognised	(18,004)	(21,009)

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

	31 March 2018 £'000	31 March 2017 £'000
Defined benefit obligation at start of period	190,394	157,719
Expenses	632	518
Interest expense	5,046	5,564
Actuarial (gains)/losses	(2,062)	33,465
Benefits paid and expenses	(7,638)	(6,872)
Defined benefit obligation at end of period	186,372	190,394

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

	31 March 2018 £'000	31 March 2017 £'000
Fair value of plan assets at start of period	169,385	165,883
Interest income	4,498	5,867
Actuarial losses	123	3,507
Contributions by the Society	2,000	1,000
Benefits paid and expenses	(7,638)	(6,872)
Fair value of plan assets at end of period	168,368	169,385

The actual return on the plan assets over the period ended 31 March 2018 was £4,621,000.

Defined benefit costs recognised in the Statement of Financial Activities:

	31 March 2018 £'000	31 March 2017 £'000
Expenses	632	518
Net interest cost	548	–
Defined benefit costs recognised in expenditure	1,180	518
Actuarial gains on assets	123	3,507
Actuarial gains/(losses) on liabilities	2,062	(33,465)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gains	–	8,467
Actuarial gains/(losses) on defined benefit pension scheme	2,185	(21,491)

Assets:

	2018 £'000	2017 £'000
UK equities	10,710	10,573
Overseas equities	11,309	10,619
Absolute return fund	18,865	18,697
Diversified growth fund	39,448	37,801
Property	9,398	8,686
Cash	3,302	5,569
Insured annuities	52,491	54,874
Liability driven investments	22,845	22,566
Total assets	168,368	169,385

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

Assumptions:

	2018	2017
	£'000	£'000
Discount rate	2.6% pa	2.7% pa
Inflation (RPI)	3.1% pa	3.3% pa
Inflation (CPI)	2.1% pa	2.3% pa
Allowance for revaluation of deferred pensions of CPI or 5% pa if less	2.1% pa	2.3% pa
Allowance for pension in payment increases of RPI or 5% pa if less	3.1% pa	3.3% pa

The mortality assumptions adopted at 31 March 2018 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2018	21.1
Female retiring in 2018	23.0
Male retiring in 2038	22.1
Female retiring in 2038	24.2

22. Operating lease commitments

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

	Land and buildings	Other	Land and buildings	Other
Group and Charity	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Not later than one year	1,155	25	1,280	43
Later than one year and not later than five years	1,855	23	1,810	44
Later than five years	24	–	3	–
Total	3,034	48	3,093	87

23. Endowment, restricted and designated funds

	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000
Permanent endowment funds			
Charity			
Permanent endowment fund	1,362	–	(3)
N Knatchbull endowment fund	10	–	–
M Glaister fund	10	–	–
A Sykes fund	9	–	–
Total permanent endowment funds	1,391	–	(3)

Restricted funds

Charity

Childline restricted funds received by NSPCC including funding received from the Child's Voice Appeal for the Helpline Development Project	660	11,123	(11,049)
Activities to end cruelty to children funded by other restricted donations	169	5,836	(5,363)
Capital Projects, including Acquisition of Buildings	6,487	261	(208)

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	–	2,000	(2,000)
Capital Project, Helpline Information System Transformation funded by the Department for Education	713	–	(13)
New Orleans Intervention Model (NIM) in London funded by the Department for Education	–	399	(399)
New Orleans Intervention Model (NIM) for Infant Mental Health in Scotland funded by the Big Lottery Fund	68	–	(68)
New Orleans Intervention Model (NIM) Glasgow 'Young Families' pilot funded by Scottish Power Foundation	35	–	(35)
Childline Foyle Helpline in Londonderry funded by the Department of Education Northern Ireland	–	266	(266)
Childline counselling staff salaries in Northern Ireland funded by the Department of Health, Social Services & Public Safety (DSSHPS) of Northern Ireland	–	47	(47)
"A Better Start" project in Blackpool funded by the Big Lottery Fund	–	3,263	(3,263)
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by the Big Lottery Fund	13	117	(130)
The 'Young Mum's Participation' project in Scotland funded by the Big Lottery Fund	1	–	(1)
NSPCC Childline Service in Scotland funded by the Big Lottery Fund and the Scottish Government Third Sector Early Intervention Fund	–	20	(20)
Childline's anti-bullying work in Scotland funded by the Scottish Government	–	83	(83)
Funding for a volunteer co-ordinator in Scotland from the Scottish Government	–	32	(32)

Gains / (losses) £'000	Transfers £'000	Balance 31 March 2017 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance 31 March 2018 £'000
15	-	1,374	-	(3)	(10)	-	1,361
-	-	10	-	-	-	-	10
-	-	10	-	-	-	-	10
-	-	9	-	-	-	-	9
15	-	1,403	-	(3)	(10)	-	1,390
-	-	734	7,306	(7,707)	-	-	333
-	-	642	5,068	(5,369)	-	(16)	325
-	-	6,540	-	(198)	-	-	6,342
-	-	-	2,000	(2,000)	-	-	-
-	-	700	-	(35)	-	-	665
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	266	(266)	-	-	-
-	-	-	47	(47)	-	-	-
-	-	-	3,065	(3,065)	-	-	-
-	-	-	146	(146)	-	-	-
-	-	-	1	(1)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	83	(83)	-	-	-
-	-	-	32	(32)	-	-	-

23. Endowment, restricted and designated funds (continued)

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Childline in Wales funded by the Welsh Government 'Children and Families Organisation' (CFOG)	–	–	–
Schools service in North and South London, Essex, Cumbria, Devon and Cornwall funded by the players of People's Postcode Lottery	–	125	(125)
Schools Service in South Wales funded by Masonic Charitable Foundation	–	–	–
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by Comic Relief	–	119	(119)
Funding for the salary costs of two 'Protect and Respect' case workers from The City of London Corporation's charity, City Bridge Trust	21	45	(66)
Adverse childhood experiences Coordinator Service Police Innovation Fund Early Intervention and Prevention funded by South Wales Police and Crime Commissioner	–	17	(17)
Northern Ireland Young Witness Support Service funded by the Department of Justice Northern Ireland	–	–	–
Modern Slavery Innovation Fund funded by the Home Office	–	–	–
Information Commissioners Office (ICO) fundraising activities penalty funded by friends of the NSPCC	–	10	(10)
Total restricted funds	8,167	23,763	(23,314)
Total restricted and endowment funds	9,558	23,763	(23,317)
Designated funds			
Charity			
Freehold and leasehold properties	22,055	–	(3,228)
Letting the future in	–	3	(3)
Total designated funds	22,055	3	(3,231)
Other unrestricted funds			
Charity			
General funds	53,069	100,434	(90,851)
Total general funds for the Charity	53,069	100,434	(90,851)
Subsidiary companies			
NSPCC Trading Company Limited	30	1,903	(1,903)
Childline	–	1,304	(1,304)
Total general funds for the Group	53,099	103,641	(94,058)
Pension reserve	–	–	(518)
Total funds for the Group	84,712	127,407	(121,124)

Income within general funds for the charity excludes the gift aid donation of £1,916,000 (2017 £1,628,000) from NSPCC Trading Company Limited and the grant of £316,000 from Childline (2017 £1,304,000).

The transfers from general funds are £2,000,000 for payments in relation to pensions (2017 £1,000,000) and £161,000 to designated funds in relation to property additions (2017 £413,000).

-	-	-	95	(95)	-	-	-
-	-	-	-	-	-	-	-
-	-	-	25	(25)	-	-	-
-	-	-	130	(130)	-	-	-
-	-	-	90	(90)	-	-	-
-	-	-	42	(42)	-	-	-
-	-	-	441	(441)	-	16	16
-	-	-	249	(249)	-	-	-
-	-	-	-	-	-	-	-
-	-	8,616	19,086	(20,021)	-	-	7,681
15	-	10,019	19,086	(20,024)	(10)	-	9,071
-	413	19,240	-	(932)	397	161	18,866
-	-	-	-	-	-	-	-
-	413	19,240	-	(932)	397	161	18,866
563	(1,413)	61,802	96,646	(91,916)	(434)	(2,161)	63,937
563	(1,413)	61,802	96,646	(91,916)	(434)	(2,161)	63,937
-	-	30	2,280	(2,280)	-	-	30
-	-	-	316	(316)	-	-	-
563	(1,413)	61,832	99,242	(94,512)	(434)	(2,161)	63,967
(21,491)	1,000	(21,009)	-	(1,180)	2,185	2,000	(18,004)
(20,913)	-	70,082	118,328	(116,648)	2,138	-	73,900

24. Analysis of group net assets between funds

Fund balances are represented by:

	Unrestricted		Restricted	Endowment
	General	Designated		
	£'000	£'000	£'000	£'000
Tangible and intangible fixed assets	4,245	18,866	6,984	–
Investments	62,804	–	–	1,390
Current assets and liabilities	950	–	697	–
Provisions	(4,032)	–	–	–
Total net assets excluding pension reserve	63,967	18,866	7,681	1,390
Pension reserve	(18,004)	–	–	–
Total net assets	45,963	18,866	7,681	1,390

Of the restricted funds represented by tangible & intangible fixed assets £5,962,000 relates to freehold and leasehold property (2017 £6,099,000), £1,020,000 relates to intangible assets (2017 £1,111,000) and £3,000 relates to other tangible fixed assets (2017 £7,000).

Included in the restricted funds represented by current assets and liabilities figure is £23,000 which relates to restricted donations to be spent on Intangible assets - development software (2017 £23,000).

25. Legacies

The NSPCC has been notified of 724 legacies (2017 734 legacies) which have not been included within the financial statements as they do not yet meet the income recognition criteria. This includes 83 pecuniary legacies which have an average value of £5,904 (2017 93 cases with an average value of £4,875). Pecuniary legacies are only recognised once notification of probate is received. The remaining 641 are residuary legacies, which have an average value of £46,113 (2017 641 cases with an average value of £47,876). Residuary legacies are normally recognised once draft accounts are received or other information which allow them to be measured with reasonable accuracy. Included within the above figures are 12 pecuniary legacies (2017 15) and 132 residuary legacies (2017 134) which are not recognised because they are subject to a life interest.

The NSPCC has not waived the rights to any legacy entitlements (2017 two legacy entitlements totalling £14,000) related to claims made by families of the deceased on the basis that the claims reflected the deceased's wishes. In the prior year the trustees agreed that there was a moral obligation to waive these rights and approval was granted from the Charity Commission.

26. Related party transactions

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

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

2018	Unrestricted					2017
Total funds	General	Designated	Restricted	Endowment	Total funds	
£'000	£'000	£'000	£'000	£'000	£'000	£'000
30,095	5,914	19,240	7,217	–	32,371	
64,194	53,918	–	–	1,374	55,292	
1,647	7,327	–	1,399	29	8,755	
(4,032)	(5,327)	–	–	–	(5,327)	
91,904	61,832	19,240	8,616	1,403	91,091	
(18,004)	(21,009)	–	–	–	(21,009)	
73,900	40,823	19,240	8,616	1,403	70,082	



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NSPCC

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

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

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

EVERY CHILDHOOD IS WORTH FIGHTING FOR