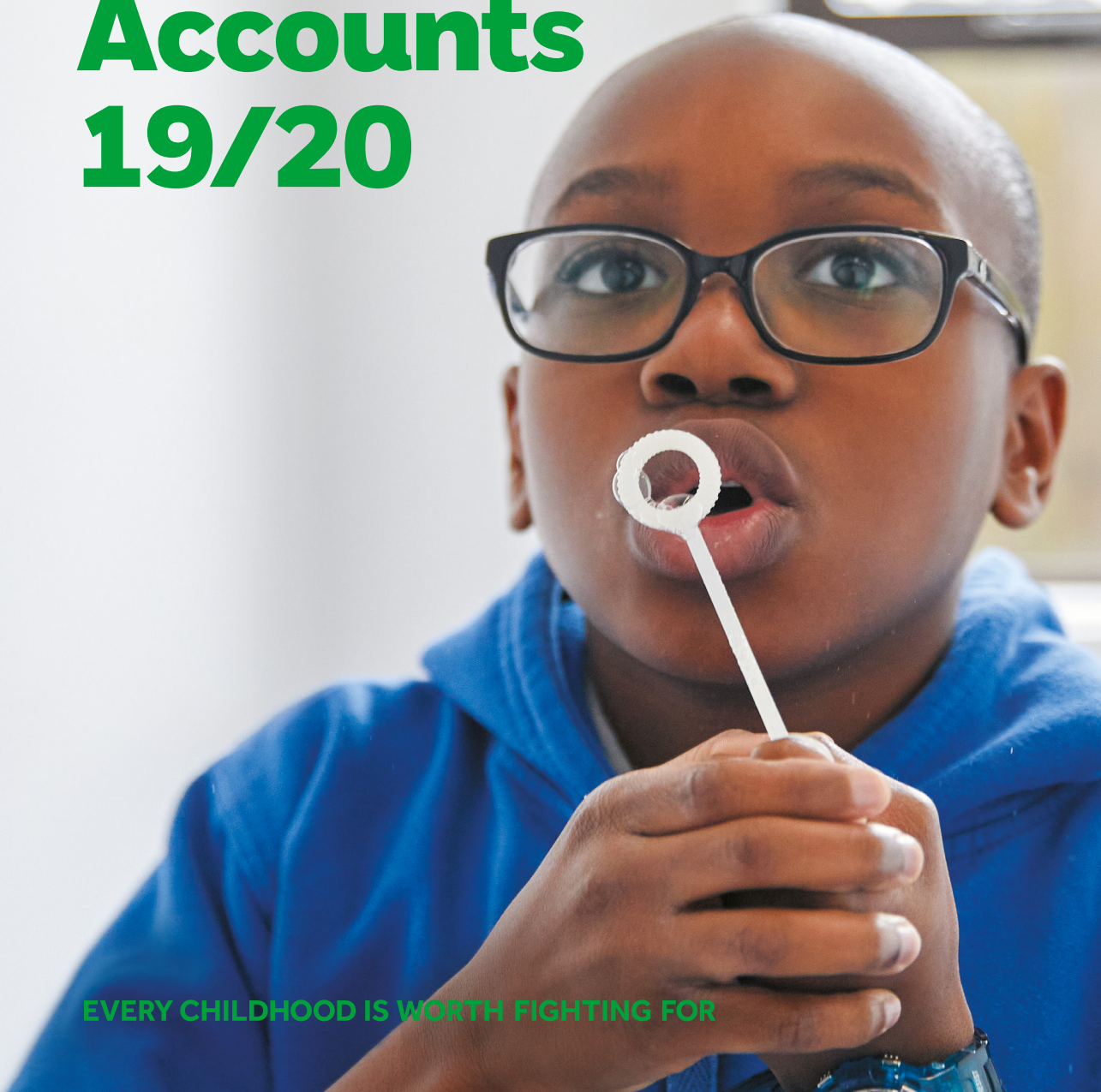


**NSPCC**

**Annual  
Report and  
Accounts  
19/20**



**EVERY CHILDHOOD IS WORTH FIGHTING FOR**

# Protecting children today, preventing abuse tomorrow

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# Welcome

## From our chairman



The publication of this year's annual report marks my first as chairman of the board of trustees, after almost 20 years of passionate support and association with the charity. My thanks goes to my predecessor, Mark Wood, for his outstanding contribution towards the NSPCC and towards preventing child abuse over the years. I am all too aware of the depth and scale of the problem we are facing when it comes to child abuse. Too many children are suffering because crimes against them remain undiscovered; because children lack the confidence to speak out; because children cannot get through to us or others who might be able to help them; because the support and recovery services that children need are simply not available where, when and how they need them. It is an undisputed fact that children deserve better.

Indeed, it is this very fact that unites us at the NSPCC, and all who we work with on behalf of children. The passion and dedication given by our staff and volunteers, day in and day out, is truly inspirational. We strive to make a difference to those that need us the most, when it matters the most.

As incoming chair, I have highlighted three main priorities. The first is about ensuring that children and young people really are at the heart of everything we do and every decision we make, across the entire organisation. We exist to fight for every childhood, so we must be child-centric and child-focused at all times. The issues and challenges in children's lives are constantly changing, and the NSPCC must flex and adapt to ensure that we remain relevant in today's society, for today's children, as well as for the generations to come.

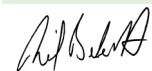
The second is the ambition to become an organisation that attracts, cherishes and celebrates volunteering. At the NSPCC, an army of over 6,000 volunteers already give their time and energy, every day, towards realising our purpose: to prevent child abuse. They are the lifeblood of our Schools Service, Childline, the Young Witness

Service in Northern Ireland and much of our fundraising. An incredible amount of the charity's work depends on their enthusiasm, support and expertise. The importance of listening to and acting upon the experiences of such an essential group of people, as well as enabling many more of them to help keep children safe themselves, cannot be understated.

The third is about focus. As the competition for people's time and money becomes increasingly acute, the NSPCC must concentrate our efforts where we can have the greatest positive impact, because we are tiny in relation to the problem we seek to solve. The big question is always how we can achieve the greatest leverage for our donors' funds, and make the greatest difference for children. If we can focus on doing fewer things better, we will see tangible and long-lasting results, and therefore greater progress in achieving our charitable purpose. The NSPCC can offer solutions, but it is vital that these solutions provide sustainable change for children's lives across the UK.

In 2016, we set ourselves an ambitious goal to make 5 million children safer in five years. We're proud to report that we reached this goal in just three years, and at the end of the fourth year of our strategy we have now reached over 6.3 million children. With approximately 14 million children in the UK, this means that, in the five years of our strategy, we expect to reach the equivalent of around half the child population of the UK.

In just a matter of months, COVID-19 has turned our world around. Despite the incredible pressure that the pandemic has placed on our operating context and services, NSPCC staff and volunteers have gone above and beyond to protect the children who need us, now more than ever. Our fight for every childhood continues, but together we can achieve so much more.



**Neil Berkett**  
Chairman of the Trustees



The issues and challenges in children's lives are constantly changing, and **the NSPCC must flex and adapt to ensure that we remain relevant in today's society**, for today's children, as well as for the generations to come.

# Welcome

## From our chief executive



The NSPCC is the leading children's charity in the UK and Channel Islands working to prevent child abuse. Our authority comes from over 130 years of experience, gathering evidence about what works and how we can make a positive difference. Yet as a charity that receives around 90 per cent of its funds from voluntary donations, we would be nowhere without the overwhelming generosity and support of so many people across the UK. Our commitment to preventing child abuse can only be realised by the huge host of passionate supporters who give their time and money to our organisation, fuelled by the ardent desire to make the world a better place for children.

It is undoubtedly a huge privilege and responsibility to be entrusted with the task of helping to make a positive difference to the lives of young people. When you donate to the NSPCC, positive things happen for children as a consequence, and those achievements set the platform for what comes next. This year has seen us reach over 2 million children, and a number of our achievements are worthy of celebration.

Our Schools Service continues to be an extraordinary success, surpassing all expectations with a total of over 1.6 million children having attended a *Speak out. Stay safe.* assembly this year across more than 7,000 schools. This means that since *Speak out. Stay safe.* began, we have gone into over 22,000 unique schools – and a remarkable 90 per cent of all schools with primary age children have attended this service. Sadly, some children who suffer abuse may not realise that what's happening to them is wrong, or where they can go for help. And often, when children do find the courage to speak out, they tell us that their experiences of abuse go back years. We must ensure that the immediate support and recovery services are available when children need them the most, to prevent long-lasting suffering and abuse from taking place.

Outside school, we know that children are increasingly spending their time

online as technology continues to expand exponentially. Earlier this year, our relentless campaigning saw the publication of the government's *Online Harms White Paper* which was unprecedented in its ambition and scope. With this wide-ranging package of proposals and the commitment to an independent regulator of online abuse, the UK is now leading the fight against online harms committed against children. And we must ensure follow-through.

Our expert, targeted services can only ever be there for a tiny minority of children fortunate enough to be touched by them, so it is essential that we can extend their influence well beyond anything we can do ourselves. In the 12 months covered by this year's annual report and accounts, we had our most successful year to date for scale up, reaching over 17,300 children and parents with our scaled-up services. Based on the evidence we have gathered around what works, we are now scaling up some of our most complex and targeted services in just under 200 local authorities across the four nations of the UK and the Channel Islands. This also includes locations that have never had an NSPCC service centre presence.

The global coronavirus pandemic brought urgent operational challenges and immediate implications for child protection. The NSPCC rose to the challenge, and we saw a swift transformation in the way our services were delivered. We ensured that our ultimate priority continued to be supporting children and young people during the crisis, while following government guidance to keep our staff and volunteers safe. Regardless of the external environment, the NSPCC will always strive to make a positive difference for children that need us the most, because every childhood is worth fighting for.

**Peter Wanless**  
Chief Executive

# Hello...

## From our Youth Advisory Group

Four members of the Angus *Think B4 You Type* Youth Advisory Group shared how they helped lead our anti-bullying influencing policy work in Scotland.

We are members of the Youth Advisory Group for the Angus *Think B4 You Type* campaign – a youth-led campaign to prevent and respond to online bullying. We wanted to get involved in the campaign as some of us have experienced bullying first-hand, and we want to help others.

Bullying happens to almost everyone at some stage and it can have a very negative impact on young people. It affects your self-confidence, how you feel about yourself and can make you feel sad or like you are alone. We wanted to campaign to stop this from happening.

We did focus groups in our schools with pupils, school staff and parents. We found out what they thought about the issues and came up with 12 recommendations, which we put in our scrapbook report. We presented our findings to Angus Council's Children and Learning Committee, and they formally accepted all of these at our launch event that evening.

For Anti-Bullying Week, we did different activities in our schools to explain what online bullying is, what the impact is and what to do if you are being bullied. Some of us taught PSE classes using two apples, where we bruised one before going into the class and then passed around the good apple and got people to say nice things to it. Once they did that we cut it open and it was good inside. We then passed around the bruised apple and got people to say mean things to it, and when we cut it open it was bruised inside. It really showed the impact of bullying because, just because somebody looks okay on the outside it doesn't mean they are on the inside. In another school, we got all the teachers to sign a pledge to say that young people could speak to them if they were being bullied.

In January, we spoke at the Scottish Parliament about our campaign, and met the Minister for Children and Young People. This was scary but really exciting, and we got lots of questions and good feedback from people after. We also went back to Angus Council for the launch of their new anti-bullying policy, and it was good that they listened to our work when writing this.

We put a lot of effort into the Youth Advisory Group; it was really fun and good to see everybody caring so much about online bullying. We got to do things that lots of other people don't – like speak at the Scottish Parliament – and it really helped some of us grow in confidence.

It has been great to see the impact in our schools of the work we did. We don't know what school will look like next year, but hope to do even more on this issue.

It was important that this work was led by young people, because we have grown up with the internet and we know exactly what goes on online. We are the best people to ask how to help parents understand what the biggest issues are online, and young people are also more likely to listen to other young people.

Our advice for other young people would be: if there is a cause you care about then you should campaign for it. Get the word out and try your best to make it happen!

**Thomas, Alanna, Amy, Rachel,**  
Angus *Think B4 You Type* Youth Advisory Group

Angus *Think B4 You Type* was a local campaign by NSPCC Scotland, respectme and Angus Council. It ran from November 2018 to January 2020.

# What we do

Everything we do protects children today and prevents abuse tomorrow so we can make child abuse a thing of the past.



## Visiting schools

We teach children that abuse is never their fault, and they can always speak out and get help.



## Therapeutic services

We help children to recover from abuse and get their lives back on track.



## National helplines

We run our helpline and Childline for any concerned adult or child to turn to for confidential support.



## Campaigning for change

We stand up for children and demand that laws and rules need to change to protect them.



## Support for families

We equip parents and carers with the knowledge, skills and support they need to protect their children from abuse.



## Sharing our research and evidence

We strive to find the best ways to protect children and prevent abuse, and share knowledge and training with people who work with children.



But every day, more children need our help and all our vital work is only possible because of our supporters. As an independent charity, we receive around 90 per cent of our funding from supporters and rely on them to make sure we can reach the children who need us.

**Together we can, and we will, fight for every childhood.**

# Our strategy

In 2016, we set ourselves five goals to make 5 million children safer in five years. We're proud to report that, at the end of the fourth year of our strategy, we have now reached over 6.3 million children.

## 1.

**Prevent child abuse in families facing adversity.**



**The outcomes we are seeking for children are that:**

- 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.**



**The outcomes we are seeking for children are that:**

- 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.**



**The outcomes we are seeking for children are that:**

- 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.**



**The outcomes we are seeking for children are that:**

- 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.**



**The outcomes we are seeking for children are that:**

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



# Goal 1

## Prevent child abuse in families facing adversity

Domestic abuse, substance misuse and mental health problems are known risk factors for all forms of child abuse and neglect – and the more of them that are present in a family, the greater the risk to the child.

We know that, with the right support, abuse can be prevented. That's why we provide this support directly to mums, dads and carers. We also work hand-in-hand with local partners to create change across the whole system.

### Campaigning for change

#### Fight for a Fair Start

Across the UK, mental health problems during pregnancy and after birth are very common. Up to one in five mums and one in ten dads experience conditions such as anxiety or depression\*. Access to the right support is vital, not only for parental wellbeing, but also for ensuring healthy child development.

In July 2019, we launched our new *Fight for a Fair Start* campaign, aimed at ensuring parents across the UK can access the mental health support they need during pregnancy and after

birth, to give their baby the best start in life. The campaign is supported by Jo Malone and is our first fully devolved campaign, targeting governments in England, Wales, Northern Ireland and Scotland with tailored policy calls.

In each of the four nations, *Fight for a Fair Start* is focused on recognising parents who need help early on, supporting them with their mental health during and after birth, and helping them to build crucial bonds with their babies.

\*Bauer, A, et al (2016) The costs of perinatal mental health problems. London: Centre for Mental Health and NHS England (2018) Partners of new mums with mental illness set to get targeted support on the NHS.



## Look Say Sing Play

During their earliest years, a child's brain makes 1 million neural connections every single second.\* Positive, supportive experiences with parents and other adults are important to their brain development at this time.

Our *Look Say Sing Play* campaign helps parents to have high quality interactions with their babies, to encourage healthy brain development. It empowers parents with the understanding, tools and confidence to do this.

We have been working with partners within local communities to develop local campaigns that support our national campaign. In Walsall, we launched the campaign with Walsall Council at an event for professionals working with children. These professionals were provided with resources to share with new parents, along with information on how to

run their own activity sessions with children under two and their parents. This was followed by a launch event for parents, with over 150 attendees. By working closely with communities, we aim to increase the engagement and value of our large national campaigns.

\*Centre of the Developing Child, Harvard University (2017) Brain Architecture



## Sharing the Science

We want to create a shared and simple language around child development that can be used by all professionals, parents, carers and children. That's why we developed *Sharing the Science*, a unique and innovative programme that trains professionals to share the science behind child brain development. It uses six evidence-based metaphors that help to explain key concepts in a simple and easy-to-understand way.

We are working with professionals across sites in Grimsby, Glasgow, and

the London Borough of Hammersmith and Fulham. And this year we launched a new workshop to teams across the UK and Channel Islands on our NSPCC Learning website.

We are creating new animations for each of the six metaphors, informed by focus groups insights from young people and parents. We are also developing an offer to schools which includes bespoke workshops and lesson plans.



## Working with children and families

We believe that we can achieve better outcomes for many more children if we work in partnership to put more evidence into practice. That's why we help other organisations to adopt, implement and deliver evidence-based services locally.

We grow services from initial ideas, all the way to delivering them at our service centres, testing them at every stage to ensure we have a strong evidence base. Then, once we have learned what works, we help other organisations to deliver the programme. This includes training, consultancy, resources and implementation support.

This year, we have reached over 17,300 children and adults, and trained over 2,400 professionals through NSPCC-tested services that have been scaled up to other organisations.

We have been focusing on improving the support we provide our partner agencies. This is to ensure our services have the impact on the lives of children that our evidence has shown they can. This year we carried out an evaluation of the sustainability of these services, which will be published in 2020/21.

**This year, we have reached over 17,300 children and adults, and trained over 2,400 professionals through NSPCC-tested services that have been scaled up to other organisations.**

One of the services that we are supporting other agencies to deliver helps children who might be at risk of neglect. Neglect covers a wide range of behaviour: not providing children with the right food, clothing and shelter; leaving a child home alone; not protecting a child from emotional or physical harm; or not getting them the medical care or treatment they need.

Neglect can happen because of many underlying reasons, and it's often an accumulation of incidents over time. This is why professionals who work with children can sometimes find it difficult to assess if, or to what level, a child is at risk of neglect.



*Graded Care Profile 2 (GCP2)* provides children's services practitioners a way of assessing whether a child is at risk of neglect.

We believe we can reach many more children who have been, or are at risk of being neglected if we work together and share our knowledge of what works. That's why we've been supporting partner organisations to implement and embed *GCP2* in their local communities.

There are now 77 local authorities across the UK and Channel Islands who are licensed to use this tool, and together they reached over 14,000 children this year. We are continuing to work closely with these sites to ensure successful implementation, as well as increasing reach to children by introducing this to more partners.



## Changing the law

Across the UK, parents and carers who physically assault their children can defend their actions by arguing that the physical force was reasonable punishment for their actions.

There's overwhelming evidence that physical punishment can be harmful to children. It's associated with increased childhood aggression and antisocial behaviour, and it also carries a serious risk of escalation into abuse.

We've long campaigned for legal change to remove the defence of 'reasonable punishment' and to ensure that all children have the same protection from physical assault as adults.



**Our programme, *Steps to Safety*, addressed domestic abuse and aimed to improve relationships between children under five and their parents.**

This year, the Scottish Parliament passed the Children (Equal Protection from Assault) (Scotland) Act, which comes into force next year. This removes the defence of 'justifiable assault'. Following this, the States of Jersey and the Welsh Assembly have also passed bills introducing equal protection.

We are now calling on Northern Ireland and England to remove the defence of 'reasonable punishment'.

\*Child Safeguarding Practice Review Panel (2020) Annual report 2019 to 2019: patterns in practice, key messages, and 2020 work programme (PDF). London: Child Safeguarding Practice Review Panel.

## Building evidence of what works

We know that exposure to domestic abuse has a negative impact on children's emotional, social and cognitive development, as well as their physical health. Risks to children are high: domestic abuse was present in the lives of 35 per cent of the children in cases notified to the Child Safeguarding Practice Review Panel because a child had died or been seriously harmed.\* Based on the evidence of risks presented to children, and of a gap in service provision, the NSPCC developed *Steps to Safety*. This programme addressed domestic abuse and aimed to improve relationships between children under five and their parents. It helped parents identify and manage their emotions, interact positively, and stop domestic abuse from happening. The service was piloted in Belfast, Swansea and Southampton for 18 months to assess its feasibility. This year our evaluation report of the feasibility study was published. While we are no longer running the service, we will use what we've learnt in this evaluation to inform the design of new services for families with young children.

We contributed to the London Assembly Health committee's report, *Connecting Up the Care*, which looked at how services are working for people who experience multiple vulnerabilities. We submitted evidence from our learning, from evaluating services for families where there is either domestic abuse, parental substance misuse, parental mental health problems, or a combination of all three.



# Goal 2

## Prevent child sexual abuse

Despite growing public awareness of child sexual abuse, not enough is being done to prevent it. Stepping in after it's happened is too often seen as the only option. Yet the impact on those who have been abused is often significant and long-term. We're working to equip more people with the knowledge and skills they need to prevent child sexual abuse.

### Working together to prevent child sexual abuse

We believe that what we achieve together will be greater than the sum of our individual efforts. *Together for Childhood* is a game-changing approach to building the evidence in preventing abuse and neglect. So far, we have launched *Together for Childhood* in four areas, and we want to bring about change across the whole system in these areas.

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**Together for Childhood areas are places of continuous learning** – of evaluating and understanding what works, and then using this information to help protect more children.

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Every community is different. That's why each *Together for Childhood* site is tailored to the specific community. They're run by local teams who work to strengthen and build new relationships between partner organisations, such as local authorities, charities and schools.

*Together for Childhood* areas are places of continuous learning – of evaluating and understanding what works, and then using this information to help protect more children. For an initiative

of this scale and with our ambitions, evaluation is critical.

That's why we have adopted a model of evaluation that is developmental and participatory, with a significant focus on its implementation as well as the outcomes. At the core of the evaluation is learning and improving. This year we published our *Learning Together* report, combining a summary of our learning to date across all four *Together for Childhood* areas. The report provides an important summary of five key things that we have learnt that help make place-based initiatives a success: the importance of a shared vision, building effective local governance and partnerships, working with local communities, co-creation of activities, and being realistic about the time and resource required.



## Supporting parents to talk to children about sexual abuse

Talking to a child about something like crossing the road safely is all part of growing up. But talking to them about staying safe from sexual abuse can feel like a difficult conversation.



Since the start of our campaign, we have helped to make **950,000 children safer through talking PANTS.**

With the help of our friendly dinosaur, Pantosaurus, talking PANTS is a simple way for parents, carers and professionals to teach children important messages, like their body belongs to them and they should tell an adult if they're upset or worried.

We have developed a range of PANTS resources, including guides in five different languages and guides for people with a disability. This year we also produced new videos showing families using the activities, to show how easy it can be to have these conversations.

Since the start of our campaign, we have helped to make 950,000 children safer through talking PANTS.\*

## Understanding how we can prevent the sexual abuse of disabled children

Disabled children and young people are at an increased risk of being abused compared with their non-disabled peers.\*\* We wanted to better understand the views and expertise of parents and carers to learn more about what we need to do to help keep disabled children safe from sexual abuse. Our research with parents and carers of disabled children, including children with physical and learning disabilities, and complex communication needs, was published this year.

The key finding was that schools and other agencies should work in

partnership with parents to ensure that disabled children receive consistent, clear, accessible information on safe touch, choice and control, puberty, sex, relationships and abuse, and knowing how to let others know when they feel unsafe.

## Preventing harmful sexual behaviour

### Supporting professionals

Our Harmful Sexual Behaviour (HSB) framework helps professionals to distinguish normal sexual behaviours from those that may be inappropriate, problematic or harmful, and make sure children get appropriate support. The guidance is aimed at all professionals working with children, including school nurses, youth offending teams, health visitors and sexual health teams.

This year we released a new and updated second edition of the framework. It was first developed in 2016 by the NSPCC, Research in Practice, and Professor Simon Hackett with input from a number of national organisations, local authorities and subject experts.

The framework has already been used in many areas across the UK. Agencies have told us that it has helped them to positively transform their responses to the issue of HSB, building on agency strengths and also identifying areas for development in their localities.

We have also produced a version of the framework specific to the health sector, commissioned by the NHS. The work was undertaken to improve the knowledge, confidence and consistency in labelling HSB, and to empower health professionals by creating something that could help busy staff working in different environments.

The guidance helps health practitioners decide what kind of sexualised behaviour a child or young person is displaying and respond in the right way.

### Supporting children

We are working directly with children and young people to help them overcome feelings that have made them display harmful sexual behaviour. Using the *Good Way* model, we work with children with learning difficulties who have sexually problematic or abusive behaviour. The model identifies

the problem, aims to strengthen young people's positive qualities to a point where HSB is not repeated, and separates and externalises the young person from the behaviour.

An evaluation of the model carried out by the Department of Child, Youth and Family in New Zealand found that young people were significantly less likely to display HSB, and young people found the model accessible.\*

We are now evaluating the implementation of the *Good Way* model across our service centres to find out what difference it has made and what improvements could be made to the way the service is rolled out more widely.

\*Geary, J., Lambie, I. and Seymour, F. (2006) Turning lives around: a process evaluation of community adolescent sexual offender treatment programmes in New Zealand. Wellington, New Zealand: Department of Child, Youth and Family.



## Supporting parents and carers

Alongside the support to children and young people who are displaying harmful sexual behaviour, we understand the importance of providing support to parents and carers too. Research emphasises value in giving parents information about HSB, establishing new boundaries in the home, and repairing relationships within the family.

Based on this knowledge, and findings from our HSB framework and the National Institute for Health and Care Excellence (NICE) HSB guidelines (NICE, 2016), our NCATS (National Clinical Assessment and Treatment Service) developed a service to address this. *Safe Home* is designed for the parents and carers of young people who have been involved in problematic or harmful sexual behaviour. It combines a psycho-educative approach, which empowers relatives and carers of service users to understand what is going on and how to cope with it, with a therapeutic approach.

Parents and carers attend these sessions alongside direct work that is taking place with the child/young person. The aim is to improve parents' knowledge of HSB, give them an understanding of risk factors, and help them to recognise

patterns of problematic behaviour and how to intervene.

We have piloted this service and we are now working with the Public Health team at Liverpool John Moores University to evaluate its progress. We are looking at the perspectives of those families involved in the programme, whether progress has been made, and the key factors that increase participation and completion rates.

This evaluation will help us to understand whether to continue working to make sure more families have access to this service, what changes might need to take place for this to happen, or whether a different approach would be more appropriate.



\*YouGov surveys, 2017 and 2019. \*\* Jones, L. et al (2012) Prevalence and risk of violence against children with disabilities: a systematic review and meta-analysis of observational studies. The Lancet, 380(9845): 899-907



# Goal 3

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

We know from research that when some children do attempt to disclose abuse, but they are often not 'heard', what's happened is not recognised as abuse, or it is not acted on. Sometimes children themselves do not even recognise that what is happening to them is abuse. And, when they do find the courage to speak out, it is often many years after the abuse took place.

We help children and adults to recognise and speak out about abuse, and support adults to take action to protect children.

### **Speak out. Stay safe.**

*Speak out. Stay safe.* aims to equip a generation of children with the knowledge and understanding they need to stay safe from abuse and neglect. We visit schools to deliver interactive assemblies and workshops that teach pupils about the different types of abuse, in a child-friendly and age-appropriate way, so they can get help if or when they need it.

key faith groups in order to gain support and endorse the programme in faith schools across the UK.

In January 2020, we received a letter from the Assistant Secretary General of the Muslim Council of Britain endorsing *Speak out. Stay safe.* This will be of great value as we continue our work reaching Islamic schools.

We have been rolling out our specialist Special Educational Need and Disabilities (SEND) programme. The programme uses practical activities and engaging methods to support pupils, as well as their teachers, learning support assistants, mentors and other educational staff. We have received very positive feedback from schools who feel the programme is having a real impact on children.

We have also been developing a resource for pupil referral units and alternative provision settings that can be used as an alternative to the standard workshops. It supports schools in the delivery of key messages by providing greater flexibility in terms of content, format and method of delivery. This allows schools to tailor the sessions to meet the needs of their pupils.



In the last year, the NSPCC Schools Service visited over 7,000 schools and spoke to over 1.6 million children.

This year we achieved the milestone of reaching 90 per cent of primary schools in the UK and Channel Islands through *Speak out. Stay safe.* In the last year alone, the NSPCC Schools Service visited over 7,000 schools and spoke to over 1.6 million children.

This year also saw some significant work to reach more schools with provisions for special educational needs. We also engaged with some



**Childline**

Childline supports children across the UK and Channel Islands, giving them a place to talk about whatever problems they are facing, to be heard, and to think about what help they might need and how to get it.

This year we delivered almost 240,000 counselling sessions to children and young people, through telephone calls and online via the Childline website.



**Young people contacted Childline with their concerns about COVID-19 and the consequences of the subsequent restrictions.**

Following the announcement on 18 March 2020 that schools would close in response to the coronavirus pandemic, there was an immediate increase in voice calls to Childline. On the last day before schools closed we

received 31 per cent more calls than we had the previous Friday. Young people contacted Childline with their concerns about COVID-19 and the consequences of the subsequent restrictions. These included feeling trapped and isolated, struggling with self-harm and suicidal feelings, worrying about their mental health with existing support stopped or reduced, family relationship problems, abuse and neglect, and difficulty with schoolwork.

Over recent years we have seen a change in the kinds of problems children and young people are contacting Childline about. We are talking to an increasing number of young people who are experiencing mental health issues, and young people are seeking a wider range of support. This year, mental and emotional health was the most common reason for young people contacting Childline, followed by suicidal thoughts.

We have spoken to our volunteers and staff about the challenges we are facing in meeting these changing needs, and we have engaged with

children to find out what they feel they need from Childline.

To meet the evolving needs of children, we are making sure that we are working with children in impactful ways and improving the quality of our counselling service.

We have developed an updated counselling model that gives counsellors a wider range of skills and tools to think about the needs of each child that contacts us. This year we have started training all new and existing counsellors on this model.

We are also carrying out research to further understand how we can improve Childline. Our current research includes understanding the specific role that Childline plays in safeguarding and supporting young people, as well as bringing together the most up-to-date evidence on the best ways to support young people who are feeling suicidal.

We have continued to develop the resources and tools available for young people online. In December 2019, we launched the Calm Zone on the Childline website to support any young person

who is struggling to cope with difficult feelings. The tools include breathing exercises, yoga videos and games. Between January and March 2020, it was viewed over 62,000 times, making it a popular area of the Childline website.

As part of developing the Childline website, we've started work on a self-help tool that can be accessed by young people when they are waiting to speak to a counsellor online. The tool welcomes them to Childline and provides additional support based on their answers to a set of questions. We are working hard to engage and support young people at every step of their journey with Childline.



## NSPCC helpline

The NSPCC helpline provides help and support to adults who have concerns about the welfare of a child. It's staffed by professionals with backgrounds in teaching, healthcare and social work, who know how to spot the signs of abuse and what to do to help. We provide advice, guidance and support, and we can take action on behalf of a child at risk by liaising with the appropriate statutory agencies.

This year we responded to almost 69,000 helpline contacts. In 38,000 of these contacts, advice and support

was offered to the person contacting, and in nearly 31,000 contacts a referral was made to an external agency.

During the coronavirus pandemic, there was a change in the nature of contacts to the NSPCC helpline, particularly following the announcement of a nationwide lockdown. Those contacting the service raised concerns directly related to COVID-19, including queries around contact for non-residential parents, leaving children home alone, concerns around domestic abuse, and coping with children's mental health.

## NSPCC Learning

NSPCC Learning is the most comprehensive resource on child protection and safeguarding in the UK. The platform brings together information, resources and training to increase confidence in identifying risks and responding to abuse and neglect among people who work with children.

This year we published a variety of new free content on the NSPCC Learning website. This included 24 episodes of our podcast, featuring experts from the NSPCC and other organisations talking on a range of topics, from charity trustees' safeguarding responsibilities to infant and child development. We worked in partnership with the National Council for Voluntary Organisations (NCVO) to develop a range of safeguarding resources for voluntary and community organisations, which are also published on the NSPCC Learning website. It's encouraging to see that people who work with children are increasingly aware of NSPCC Learning and are accessing our online resources; this year we had over 1.8 million visitors to the NSPCC Learning website. Since NSPCC Learning launched in September 2018, we've seen increasing numbers of visitors. Figures for the last quarter of 2019/20 are up around 50 per cent on the same period in 2018/19.

We launched new elearning courses this year, including *Charity trustees: your duties to safeguard and protect*, and *Safeguarding children with special educational needs and disabilities*.

Through our training and consultancy services, we work with organisations to support them with their safeguarding journey, to ensure that they are safe



to work with children. This year, over 7,000 individuals attended one of our face-to-face training courses, such as *Managing allegations* and *Introduction to safeguarding deaf and disabled children*.

We've worked with 61 organisations, supporting them in developing appropriate safeguarding policies. This year we worked together with a philanthropic grant-making organisation who support civic and charitable organisations across the world. We helped them to develop and implement a more robust approach to safeguarding children and young people across the organisations they work with.

We also worked with a multi-academy trust that runs around 60 schools in England. We carried out multiple safeguarding audits, identified areas for development, and improved signposting to further resources.

## Let children know you're listening

Our *Let children know you're listening* resources help adults in other organisations or agencies who work with children to respond supportively in the moment when a child discloses abuse, and to communicate to children in a way that they feel listened to. This project is based on findings of NSPCC research showing that 90 per cent of children had a negative experience when disclosing abuse.\* We want to make a difference to ensure that children feel able to speak out about abuse, and then feel supported when they do.



Our *Let children know you're listening* project is based on findings of NSPCC research showing that **90 per cent of children had a negative experience when disclosing abuse.\***

Our resources include a safeguarding poster that can be displayed in any place where adults work or volunteer with children, along with an evidence paper. This year we also created an animation so that this message can be shared even more widely. The page was launched in February 2019 and, by the end of March 2020, it had over 25,000 pageviews and over 8,000 downloads.

The animation has had over 15,000 pageviews.

This year we attended a conference to deliver a *Let children know you're listening* presentation to schools signed up to be early adopters of the new Relationships and Sex Education curriculum. The conference, organised by the Department for Education, included workshops to support schools in implementing the new curriculum, and we were there to share our understanding of how to support children who disclose abuse.

## Child Protection in Sport Unit

The Child Protection in Sport Unit (CPSU) supports individuals and organisations that provide sporting activities to children to develop and maintain a safe environment. We provide advice and support around specific safeguarding concerns, along with bespoke training and resources to ensure those working with children and young people are confident about identifying risks and know how to respond.

This year there was an independent review of the CPSU's structure and role. The review confirmed the CPSU's status as a leader in its field, both nationally and internationally, and made a number of recommendations about future activities and direction. These include expanding commissioned services into new areas, such as non-regulated sports and activities, leisure and facilities.

\*Allnock, D. and Miller, P. (2013) No one notice, no one heard: a study of disclosures of childhood abuse. London: NSPCC



# Goal 4

## Help abused children get back on track

Abuse and neglect can derail a child's development, affecting everything from their physical growth to their cognitive and emotional development. Without help, the damage can last long into adult life, affecting relationships, learning and wellbeing.

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

### Coordinating support for young people who have been sexually abused

Young people who report sexual abuse can face multiple interviews with social workers, law enforcement and medical professionals in different and sometimes unfriendly settings,

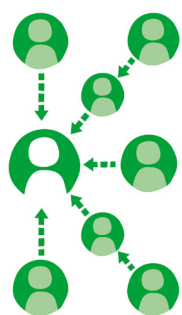
happened to them to multiple agencies or professionals. This can cause emotional distress and risks re-traumatising them.

*The Lighthouse*, our ground-breaking partnership, brings the various support available to children and young people together under one roof. It is a multi-agency service for children who have experienced any form of sexual abuse. It is the first place in the UK where children can access medical advocacy, social care, police and therapeutic support all in one place. It offers a child-centred approach, providing guidance and support to help children and young people recover.

*The Lighthouse* is currently based in London and is available for children and young people from five London boroughs. The service is continuing to go from strength to strength. Following an intense programme of training over 500 front line staff and team leaders in social care, education and the police, it received 363 referrals in the first year after opening in October 2018.\*

\* Harewood, E. (2019) *The Lighthouse annual report 2018/19*

while also struggling to access long-term support. The various services and support that children and their families have to navigate is complex, and children often have to relive their experience by explaining what



Having trained **over 500** frontline staff and team leaders in social care, education and the police, *The Lighthouse* received **363 referrals** in the first year after opening in October 2018.\*



Over the last year, *The Lighthouse* has hosted visits from interested parties from within the UK and Channel Islands, and overseas. It provides a pioneering example of how spaces like this can operate in practice, and provide the highest level of coordinated support for children and young people who have been through the trauma of sexual abuse. It is hoped that the conversations will continue nationally and that the NSPCC has a critical role to play in influencing the replication of this approach across the UK, so that all children who need a service like this can access it.

**Supporting families who have experienced domestic abuse**

When mothers and their children have experienced domestic abuse, they are often reluctant to speak about their experiences for fear of upsetting each other. But we know that with the right help, outcomes for children are

improved if mothers are supported to take an active part in children's recovery. Through our *Domestic Abuse, Recovering Together (DART)* service, children and mothers can talk to each other about domestic abuse, learn to communicate and begin to rebuild their relationships.

*DART* is one of our services that we have supported other organisations in adopting, implementing and delivering. Our approach to developing services, finding out what works, and supporting other organisations to implement them to reach even more children can be seen in *DART*'s journey.

Our first evaluation of *DART* looked at outcomes, and showed that the service had a sustained impact on improving mothers' self-esteem and confidence as parents, and children, showed fewer emotional and behavioural difficulties.

We then evaluated how *DART* was implemented by speaking to strategic leads, practice leads and

practitioners from local authorities, and voluntary organisations delivering the service. This highlighted that we need to consider 'real world' context when supporting other agencies to deliver services, which can lead to improvements to the way we offer this support.

breakdown is very costly to society, with the cost of failed reunifications estimated to be £300 million a year (Holmes, 2014).

Our *Reunification Practice* framework brings all of these research messages into one place, and provides practical guidance and tools for social workers and other key professionals. It aims to improve outcomes for children in relation to returning home from care through improved assessment, decision-making and support for children and families.

We offer bespoke support to local authorities to help train practitioners in confidently implementing the framework within existing practice and systems. This year we revised the support that we provide, which has resulted in five new local authority sites implementing the service.

We also continued to deliver our Infant and Family Teams service for children under five who have experienced abuse or neglect, along with their carers. These teams, based in Glasgow and London, are made up of social workers and clinical psychologists who give vital early support to these families. We work with birth parents and foster carers of children who are in local authority care. We visit children's birth families at home, and assess the quality of children's relationships with foster carers and birth parents.

This service is tailored to fit the family's individual needs, focusing on strengthening the parent-child relationship. We pay careful attention to each birth parent's health and wellbeing, including mental health, any addiction issues, and the parent's exposure to trauma or violence.

Alongside working with parents to repair relationships, Infant and Family Teams also support foster carers to understand the child's behaviour. Foster parents learn how to be supportive in a way that best helps the child and, at the same time, helps improve a child's health and wellbeing.

We are now looking to reach more children with this programme, potentially developing the service in Wales and Northern Ireland, and expanding our current reach in London and Glasgow.



Through our **Domestic Abuse, Recovering Together (DART)** service, children and mothers can talk to each other about domestic abuse, learn to communicate and begin to rebuild their relationships.

From the end of this year, the NSPCC will cease delivery of this service ourselves. Our focus will be on continuing to support other sites that are running the service. Another evaluation is underway that will provide insight into the process of working in partnership with other agencies to put our evidence of what works into practice. This evaluation is looking at all services that we have worked with other agencies to implement. It will compare the outcomes for children when other agencies deliver the service compared to when the NSPCC delivered the service, to see whether further support can be offered to our partner agencies.

**Supporting children who are in care following abuse**

The most common outcome for children leaving care is to return home to a parent or relative. But research shows that around half of children who come into care because of abuse or neglect suffer further abuse if they return home, with up to half of those going back into care again (NSPCC, 2012).

This creates a cycle of going into and out of care that is strongly associated with poor mental and physical wellbeing. It can also seriously affect how soon and how successfully children go on to settle in a permanent home. As well as the impact on children, reunification





# Goal 5

## Make children safe from abuse online

The online world offers many opportunities for children, but it also creates new risks, including the sharing and viewing of child abuse images, and bullying from other children. On top of this, the type and scale of these challenges are fast-moving.

We're determined not only to promote online safety to children and parents but to also tackle online abuse itself, and lead on the best ways to prevent it.

### Working with children to prevent online bullying

Young people are the experts in their own experiences. Adults can try to understand their online worlds and the impact that online bullying has, however it is young people who understand this best. If we are serious about making a difference to young people, then we should listen to them about both the issues they face, and the solutions.

findings from focus groups that were facilitated by young people, with questions designed by young people. Each young person then went back to their own school and set up a steering group to design and deliver a campaign on online bullying.

The campaign also engaged strategic partners to enable the learning and recommendations from the consultation held by young people, to be delivered at a high level in the area to effect change.



**Think B4 You Type** was identified, developed, led and delivered by young people in Angus, Scotland.

*Think B4 You Type* is a youth-led campaign aimed at preventing online bullying and ensuring that adults respond better to online bullying incidents when they occur. The campaign, which was launched this year, was identified, developed, led and delivered by young people in Angus, Scotland.

The campaign's Youth Advisory Group produced a report with 12 recommendations that were accepted by the local authority. These recommendations were based on

### Changing the law to protect children online

Children should have the same protection online as they do in the physical world. Online sexual abuse has increased in scale and complexity. Children are groomed on social networks, child abuse imagery is freely shared online, and children are coerced into sending explicit images of themselves.

Our *Wild West Web* campaign aims to make sure the UK becomes the safest place for children to be online.

In April 2019, there was a breakthrough for our campaign when the government listened to our calls to introduce new laws to protect children from sexual abuse online in their *Online Harms White Paper*. The white paper sets out their proposals

for further legislation. They also agreed with our proposal for a new online harms regulator that would place a statutory duty of care on websites and tech firms to force them to take reasonable steps to tackle harmful activity online.

In July 2019 we handed our petition, which had almost 46,000 signatures, into 10 Downing Street to urge the government to bring in statutory regulation to better protect children online. In February 2020, the government re-affirmed their commitment to this and then went a step further by announcing Ofcom as the regulator for enforcing a statutory duty of care.



**Our Wild West Web** campaign aims to make sure the **UK becomes the safest place for children to be online.**

We also campaigned against Facebook's introduction of end-to-end encryption of messages. Encryption would mean that the tools that are currently used by social networks to detect child sexual abuse imagery and grooming would no longer work, putting tens of thousands of children at risk. We organised a letter signed by 129 child protection organisations and experts across 102 countries, urging Facebook not to go ahead unless it could guarantee the safety of children on its platform. We will continue to seek further high-profile media, public influencing and campaigner actions to draw attention to the risks of end-to-end encryption until Facebook can guarantee the safety of children on its platform.

#### **Bringing together professionals to share knowledge of what works**

Our annual *How safe are our children?* conference provides child protection professionals with the opportunity to debate, question and share insights about the latest strategies, policies and programmes to prevent child abuse and protect children. In 2019 our conference was dedicated to protecting children online. Delegates attended two days of speeches, discussions,

workshops and networking. There were representatives across all areas of child protection including social work, education, health and criminal justice.

Secretaries of State spoke at the conference as well as Ian Russell who spoke about the death of his daughter, Molly, who tragically took her own life after experiencing bullying online. Ian Russell expressed what more social networks could do to prevent abuse online.

We also showcased Interpol's Victim Identification Lab (VILab). VILab allows users to view sanitised images and videos of child abuse, to help identify locations, objects, languages or any other item within the image or video.

#### **Teaching children about online risks**

As well as influencing legislation and working with professionals to protect children online, we also work directly with children to keep them safe. Our new *In CTRL* service is a face-to-face programme focused on online safety, designed and delivered by the NSPCC.

It aims to increase digital resilience and encourage young people to navigate their online worlds safely, to reduce the likelihood of experiencing online sexual abuse or taking part in technology-assisted risky sexual behaviours.

This year the service has been delivered as a pilot and we are carrying out a feasibility study. This study is looking to understand, right from the start, what kind of a difference the service is making for children. We have spoken to practitioners, young people, parents, carers and managers involved with the service. Our findings will be published in 2020/21, and will evidence whether the service is achieving the outcomes we are aiming to achieve, and how the service might be developed following the pilot.



## Empowering children to take control of sexually explicit images

When sexually explicit images are shared, the impact on a young person can be devastating. It can also put them at risk of blackmail, coercion and further abuse. Yet when a young person tries to remove these images, they can face multiple channels to reporting, various hurdles (including having to prove their age), and there is still no guarantee that the image will be removed.

This is why we have been working in partnership with identity software provider YOTI and the Internet Watch

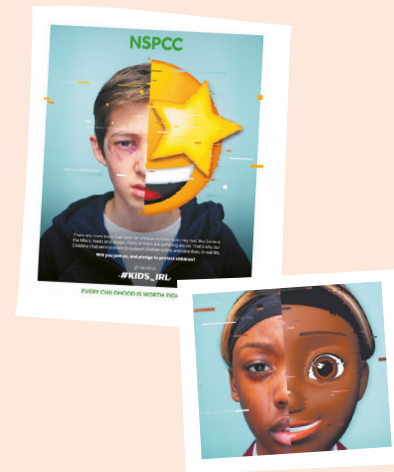
Foundation (IWF), and consulting with young people to develop *Report Remove*. *Report Remove*, which is on the Childline website, allows young people to verify that they are under 18. They can access support from the IWF to remove all versions of a sexually explicit image from the internet. We are working hard to remove the stress of reporting the sharing of explicit images, and to empower young people to take back control of these images. The service also offers emotional and safeguarding support to young people whenever it's needed.

## Kids In Real Life (IRL)

It is essential that young people have a safe space online where they can get support, talk, and be open and honest without having to filter themselves.

That's why we have launched the *Kids IRL* campaign. The campaign highlights how many young people are struggling with mental health concerns, and the contrast that can be seen between their online persona and their feelings in real life.

The campaign shows the value of our services, like Childline, to give young people this safe space to be heard. We are asking supporters to pledge to protect, to show children that they're not alone.



## Joining forces with O2 to keep more children safe online

In 2015, we joined forces with O2 to help parents explore and understand the internet. Together, our goal is to get every family in the UK and Channel Islands to have regular conversations with their children and understand their online world.

Our partnership brings together simple, practical advice that helps parents to keep children safe online. This includes resources such as Net Aware, workshops for parents, free materials, an advice line and Gurus in O2 stores. We aim to empower parents with the knowledge, confidence and practical steps to help keep children safe online.

Our online safety resources for parents have recently been updated and distributed to schools and

communities across the UK, as well as being made available in O2 stores.

This year, following research and insight gathering, we updated our online safety workshops for parents to make them even more impactful and suited to their preferences.

We have also worked hard to increase the accessibility to online safety advice. This has included translating our information booklet into eight different languages. And we are introducing a suite of new resources for parents of children with special educational needs and disabilities.

In addition to working with us on online safety, staff at O2 have continued to make an amazing difference by fundraising throughout the year, raising almost £1.1 million in total.

## Net Aware

The resources available to parents include our Net Aware site, which offers parents online safety advice around the social networks, apps and games their children are using. Net Aware brings together the NSPCC's expertise in keeping children safe and O2's tech know-how.

Net Aware was relaunched in August 2019 with new and updated content, as well as a new brand. Over the last year, Net Aware pages have been viewed nearly 1.3 million times by over 600,000 people.

We are continuing to review more social networks, apps and games, as well as redeveloping Net Aware's features, so parents have more tools to help them keep their children safe online.



# Fundraising

Our efforts to fight for every childhood would not be possible without the fundraising efforts of our volunteers, supporters and corporate partners. Around 90 per cent of our income comes from voluntary donations from our generous and committed supporters. We have over 480,000 wonderful people who donate to us every month.

We have been working hard to improve the experience our regular supporters have with us and were delighted that the cancellation rate for these regular donations was 11 per cent lower than our expected target. However, we also gained fewer new supporters than usual, following our decision to reduce door-to-door fundraising activity, and then to stop this altogether from December 2019. The income raised through individual giving was an incredible £2 million above target at the end of the year.

Another significant part of our income comes from people generously leaving

us gifts in their wills. This year, we raised almost £1.5 million more than our target through legacy gifts, partly due to 14 gifts all over £250,000. However, the number of people writing us into their wills was 18 per cent below target for the year which will impact our income in the coming years.

We also had a successful year for our major giving income which was £900,000 above target, following an increase in both the volume and average value of the gifts, along with the growth of a successful partnership with the People's Postcode Lottery.



The income from our Branch and District network has continued the decline of recent years, but was over the target set. However, other community fundraising fell short of targets set. This included our mass participation events where both our do it yourself fundraising and our third party events, were less successful than we had hoped.

We have amazing corporate partners, who share our vision to prevent cruelty to children. We work tirelessly with them to raise money to help us reach even more children, increase our brand awareness, create impact for children, reach new audiences and speak to millions of people about keeping children safe.



This year Lidl announced that they would extend their partnership with us for a further two years, with a view to raising an incredible **£2 million to support Childline.**

has raised a fantastic £3 million to support *Speak out. Stay safe.* Both Lidl and the NSPCC are delighted that we can continue working together towards ambitious new plans, to go even further in keeping children and families safe.

Our partnership with Lidl Northern Ireland had another successful year, with Lidl staff organising over 400 events across Northern Ireland. These included the Superhero Weekend, Go Green for Halloween, and the flagship event the Lidl Trolley Dash, which alone raised an amazing £97,000. The dedicated staff in stores across Northern Ireland and at the Regional Distribution Centre have already raised over £250,000 to support children and young people.

What all of our partners have in common is that they each help us to get closer to achieving our goals and transforming the lives of millions of children. This year we met our target of securing four new national corporate partners, and our focus on growing existing partnerships resulted in an income of £600,000 more than the target we had set. However, regional corporate fundraising did not secure the volume of new partnerships that had been targeted and so fell short of their income target.

This year Lidl announced that they would extend their partnership with us for a further two years, with a view to raising an incredible £2 million to support Childline. The announcement came towards the end of a successful three-year partnership, in which Lidl

KPMG and the NSPCC have combined our values, expertise and passion to reach the staggering goal of raising £1 million this year. Fundraising efforts by KPMG have included baking cakes, trekking the Great Wall of China, cycling the length and breadth of the UK, and everything in between. Following the success of reaching this target, KPMG aim to increase this to £1.5 million in 2020/21.



Jack, who heard about the work of the NSPCC through his job at KPMG, took on his own challenge to run from John O'Groats to Land's End to raise money. Jack covered 880 miles over 29 days, and smashed his initial goal of raising £5,000 for Childline by raising a phenomenal £10,500.



The HFD Charitable Foundation supported our Childline base in Glasgow with a £24,000 donation. The HFD Group has supported Childline for many years, raising over £180,000 so far.

Players of the People's Postcode Lottery continued to support the NSPCC this year, with a further £2.4 million to support our work.

The Liz and Terry Bramall Foundation continued their support for the *Speak out. Stay safe.* service in Yorkshire with a gift of £250,000.

More than 20 individuals and companies joined the NSPCC Concept Club this year. Each member of our Concept Club donates a £5,000 pledge to help us develop a portfolio of exciting new service concepts. Members of the club also help us to develop new cutting-edge services and programmes to be on the future frontline in our fight against child abuse.





The NSPCC were Peterborough United FC's Charity of the Year, in partnership with our NSPCC Peterborough Business Board. The partnership resulted in vital support for our campaigns and services. It also offered children and families we work with the opportunity to attend matches, and meet players at our service centre in Peterborough.

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The **Liz and Terry Bramall Foundation** continued their support for the *Speak out. Stay safe.* service in Yorkshire with a gift of £250,000.

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Many supporters have chosen to support Childline with our One Unforgettable Day project, funding the full cost of delivering Childline for one day. This year an incredible 50 days of Childline have been funded this way.

Our events this year have included City Fine Wine, which raised a record breaking £210,000 for *Speak out. Stay safe.* and the annual Childline Ball, which raised £822,000 for Childline.

Another event that was hugely successful this year was Ladies Sparkle Lunch. Organised by the East Cheshire Special Events Committee, the event had double the number of guests compared with last year and raised £25,000.

Over Christmas, supporters dressed up in sequined outfits, baked sparkly cakes and held local fundraising events for our annual Get Your Sparkle On fundraising appeal. This year we were overwhelmed with support, with five

times the number of participants since the appeal's first year. Our Childhood Day also received a great deal of support, with almost 500 volunteers collecting money across Northern Ireland and Manchester.

We had a fantastic 650 runners take part in the Cardiff Half Marathon. As the lead charity partner, this was a great opportunity for us to raise awareness of our *Talk PANTS* campaign and our work for children in Wales. We were supported by colleagues from the Prestatyn service centre, Child Protection in Sport Unit and Childline counsellors.

The Countess of Wessex met staff and fundraisers to celebrate the NSPCC Swindon's Silver charity appeal, recognising 25 years of service delivery in the town. The NSPCC Swindon Business Board, which has raised in excess of £800,000 since it started 25 years ago, rowed 124 miles along the river Thames over three days to raise money for the appeal.

The NSPCC Sunderland Business Board had an exceptional year thanks to mayoral support and a number of successful events, including a Yorkshire Three Peaks challenge and a quiz night.

In February 2020, we launched the world premiere of the film *Sulphur and White* in the presence of NSPCC Patron HRH The Countess of Wessex. *Sulphur and White* depicts the amazing true life of NSPCC ambassador David Tait. This powerful and moving film will provide vital awareness of child abuse to a large audience, and a percentage of the film's proceeds are being donated to the NSPCC.



# Volunteering



## Childline

Over 1,250 incredible individuals volunteer their time to make sure that Childline can be there for every child. This year they delivered over 176,000 hours of service to ensure that young people are heard and supported. All of our volunteers across the Childline service have been amazing this year, and we would like to recognise the contributions of a few of them.

George Elwood celebrated 20 years as a counsellor with Childline Belfast, having been with the service since it started in 1999. And we would like to congratulate Helen Morton from Glasgow, who was awarded the British Empire Medal last year. Helen has volunteered at the Glasgow base for more than 13 years.

Gillian Young, one of our fantastic Childline Nottingham volunteers, celebrated 22 years and over 700 shifts, and is showing no signs of slowing down. Charlotte Ward ran the Manchester Marathon last year, raising over £1,000 for Childline. In Foyle, Anne Kane has been travelling a long distance to attend her weekly shifts

while remaining in her NHS triage nurse post, and continued to come in during the COVID-19 crisis. George Elwood celebrated 20 years as a counsellor with Childline Belfast, having been with the service since it started in 1999. And we would like to congratulate Helen Morton from Glasgow, who was awarded the British Empire Medal last year. Helen has volunteered at the Glasgow base for more than 13 years.

## Speak out. Stay safe.

Our milestone achievement of reaching 90 per cent of schools across the UK would not have been possible without our 900 wonderful *Speak out. Stay safe.* volunteers, who give their time to deliver assemblies in schools across the country. Our team supported assembly delivery in over 7,000 schools this year.

Our team in Herefordshire, Shropshire, and Telford and Wrekin has now reached over 99 per cent of the 295 mainstream and special schools in their area, and are now revisiting schools for the fifth time. This is a testament both to the commitment and enthusiasm of their 16 volunteers, and to how much the service is valued by schools in the area. Six of these volunteers have each delivered in over 100 schools and one has delivered in over 200 schools. As with so many of our wonderful volunteers, they all have lots of other



commitments in their personal and working lives, yet still find the time to be Schools Service volunteers, and to make the service so successful. We really couldn't do this without them!

supported a total of 480 cases involving children and young people in all levels of criminal courts across Northern Ireland.

In August, in what was the 20th anniversary of the *Young Witness Service*, the staff and volunteer team were saddened by the passing of their longest serving volunteer, Hugh Kennedy BEM. Hugh was the first volunteer recruited in the Foyle area when the service began there in 2001. After over 18 years of unbroken voluntary service to the NSPCC, Hugh was awarded the NSPCC National Childhood Champion Award in 2018 and BEM in the 2019 New Year's Honours List for services to the community and young people in Londonderry. Hugh supported hundreds of young witnesses and epitomised the dedication and commitment of all the *Young Witness Service* volunteers. He is greatly missed by staff and volunteers alike.



*Our Speak out. Stay safe.* team of volunteers have supported assembly delivery in over **7,000 schools this year.**

## Young Witness Service Northern Ireland

This year proved to be another demanding but productive year for our *Young Witness Service* volunteers. Our volunteers help children and families through the difficult process of giving evidence in court. A core team of just over 55 volunteers working alongside a team of children's practitioners



Hollie from Swindon, completed the Three Peaks Challenge and **raised over £1,300** for the NSPCC. She hoisted the NSPCC flag at every summit.

#### Fundraising

Our fantastic army of fundraisers includes six-year-old Hollie from Swindon, who this year completed the Three Peaks Challenge and raised over £1,300 for the NSPCC. Hollie climbed Snowdon, Scafell Pike and Ben Nevis over a three-day period with her dad, Jamie. Hollie hoisted the NSPCC flag at the summit of each peak. The flag was almost as big as her, and she carried all of her kit herself.

Another daring fundraiser chose to push himself to the limit to raise money to protect children across the UK. Lee ran 40 races to celebrate his 40th birthday, including ten half marathons, ten 10km runs, and ten 5km runs, all in one year. Some months saw him running a race a week. Lee raised an amazing £2,350 and has vowed to continue to support us with our work over the coming years.

Anne Baker from Salisbury has been a supporter of the NSPCC for around 50 years. Every year, Anne raises £1,500 by hosting her annual garden party. This year she had to cancel the party due to the COVID-19 pandemic. Determined to fundraise regardless, she set up her first JustGiving page. Anne turned 106 years old in May.

Volunteers at our shop in Dyserth, North Wales, have raised over £100,000 in their first 18 months of operation since

moving to a new site. The shop, which is run completely by volunteers, has raised hundreds of thousands of pounds since it first opened its doors in 2003.

The Truants, a group of committed fundraisers, embarked on a cycling challenge across Vietnam. Over the past decade they have raised over £1.1 million for Childline, with another £250,000 raised this year alone.

#### Our vision for volunteering at the NSPCC

Our vision is to create an environment where each of our volunteers and employees are a passionate, authentic ambassador of the NSPCC. In realising this vision, over the past year we have increased our efforts and focus on the engagement of our volunteers, without whom we would simply not be able to deliver our strategy. To do this, we have created a Volunteer Engagement Programme. The purpose of the programme is to ensure that every volunteer is supported in fulfilling their potential, and has a positive volunteer journey starting right from when they express an interest, all the way through to remaining with us as part of our alumni programme, even after they no longer volunteer for us.

#### This year we began work on our five main areas of focus:

- Improving the digital and online experience of our volunteers in the lead up to, during and after their time with us.
- Improving the experience of our community fundraisers.
- Improving our communication with volunteers, sharing with them information and messages that matter, and giving them opportunities to have their say.
- Providing volunteers with more development opportunities and tools.
- Investing in how we recognise and thank our volunteers for the incredible role each of them plays in the fight for every childhood.

In establishing these priorities, we have listened to our volunteers, engaging more than 700 of them to share their experiences and expectations of volunteering with us. We have also introduced new surveys to ask volunteers about how they feel at key stages of their time with us.



# Looking back

This year we helped to make over 2 million children safer.

In March 2020, COVID-19 and the resulting lockdown led us to review the way that we worked to ensure that we were still here for children. Our main priority continued to be supporting children and young people, while following government guidance and keeping our staff and volunteers safe.

In response to the lockdown, we kept both Childline and the NSPCC helpline up and running; transformed our direct services from focusing on face-to-face work to remote contact with children and families; published guidance on safeguarding children during lockdown; worked with the Department for Education to quickly respond to school closures; promoted important stories in the media; and paused *Speak out. Stay safe*.

This section of our report looks at how we reached each of our five goals over the last year.

## 1.

### Prevent child abuse in families facing adversity.

**We planned to develop, deliver and evaluate the effectiveness of services focused on preventing abuse in children's early years. We also committed to increasing the reach of our direct work to prevent abuse in the early years, by scaling up our face-to-face services and other innovations.**

We have scaled up *Graded Care Profile 2*, our tool to help children's services practitioners assess whether a child is at risk of neglect. We are currently supporting 77 local authorities to use this tool, and together they reached over 14,000 children this year. This is compared to 71 local authorities and 10,721 children and families at the end of 2018/19.

We published an evaluation report of *Steps to Safety*, our service aimed at improving relationships between children under five and their parents, for families that have experienced domestic abuse. Parents told us their motivation for engaging with the service was to improve things for their children, and their willingness to engage increased as they saw more success. Having safe, focused assessments and using a modular structure that could be tailored to each family helped parents engage with the service. We are no longer running this service, however we are using our findings from the evaluation to inform our development of other services.



We've been supporting partner organisations to implement and embed **GCP2 in their local communities**, so we can reach more children who have been, or are at risk of being neglected.



## 2. Prevent child sexual abuse.

**We planned to develop, deliver and evaluate the effectiveness of services focused on preventing child sexual abuse. We also pledged to build the evidence base and campaign to deliver policy, practice and behaviour change in child sexual abuse.**

We updated and continued to deliver our *Harmful Sexual Behaviour* framework, to help professionals distinguish normal sexual behaviour from harmful sexual behaviour, to make sure that children get the right support. We have used the framework with 26 local authorities and agencies so far, and this year we trained over 350 professionals in it. We are evaluating the implementation of the *Good Way* model in our service centres to support children with learning difficulties to overcome feelings that made them display harmful sexual behaviour. We are also evaluating *Safe Home*, our service designed to support the parents and carers of young people who have been involved in problematic or harmful sexual behaviour.

We published research with parents and carers to understand what we need to do to help keep disabled children safe from sexual abuse. We know that disabled children are more likely to experience abuse, and are more likely to experience multiple forms and episodes of abuse. This research will help our understanding of how we can help to prevent sexual abuse of disabled children.

We have further developed our *Talk PANTS* resources, which help parents, carers and professionals to talk to children about sexual abuse in a child-friendly way. We have now helped to make 950,000 children safer since the start of the campaign.

We were unable to scale up our *Letting the Future In* service in as many new areas as we would have liked. This service is now being reviewed following an implementation evaluation, to help us understand the barriers to successfully scale up and enable it.



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

**We planned to increase the number of Childline counselling sessions and develop our self-help services available through Childline online. We aimed to increase the reach of our *Speak out. Stay safe.* programme. We also committed to further developing and delivering services for adults, including NSPCC Learning, and to consolidate the adult helpline.**

Childline delivered over 237,500 counselling sessions this year, which was 5 per cent fewer than last year. However, the proportion of contacts that resulted in substantive counselling sessions increased, suggesting that triage is working, boosted by the self-help tools on the website. The drop was also attributed in part to the increase in the number of children and young people who are contacting us online. Online counselling sessions take longer as the young person needs time to think about what they want to say, and the counsellor needs time to read and respond. We have over 1,300 committed volunteers, but we need to recruit and train even more to help us respond to more of the children and young people who turn to us for support. We can only be there to protect all the children who desperately need us with the help of our supporters.

Our self-help resources available to children include the *Calm Zone*, a tool on the Childline website that brings together breathing exercises, yoga videos and games to support children coping with difficult emotions. We have also launched a self-help tool for young people waiting to speak to a counsellor online, which provides additional support based on their answers to a set of questions.

We achieved a milestone of reaching 90 per cent of primary schools in the UK

and Channel Islands through *Speak out. Stay safe.* We continued work to increase our reach to more schools with provision for special educational needs and engagement with some key faith groups. While our aspiration is to reach all children in primary schools, we know that may not be a realistic target to set ourselves. The 90 per cent reach target is our minimum position and we will always strive to exceed that wherever possible.

We published a series of podcasts on NSPCC Learning, to support those working with children to identify risks and respond to abuse and neglect. We developed safeguarding resources for voluntary and community organisations in partnership with the National Council for Voluntary Organisations (NCVO). We had another successful year for elearning, selling over 47,000 licences for our courses and launching four new titles.

Over 80,000 children were the subject of a helpline contact this year. This year also saw the revised helpline operating hours embedded, and a continuation of the work to refine the service in order to ensure it operates as efficiently and effectively as possible.



# 4.

## Help abused children get back on track.

**We planned to build the evidence base and campaign to deliver policy, practice and behaviour change in 'what works' in helping children get back on track after abuse. We also pledged to deliver policy change across the UK through influencing, on making the justice system better suited to the needs of children.**

We continued to deliver our *Infant and Family Teams* service for children under five who have experienced abuse or neglect and are living in local authority care. These teams in London and Glasgow work with birth parents and foster carers to help social workers and judges decide the best support for the child.

*The Lighthouse* continued to support children and young people who have experienced sexual abuse. The multi-agency service is the first of its kind in the UK to bring together all the support for children under one roof.

It reduces the emotional distress of having to relive their experiences to various professionals and navigate the complex system of potential services and support available. We hope to be influential in the replication of this approach across the UK.

Several of our policy calls to improve the justice system in a way that supports children who have suffered abuse and neglect to get back on track have been enacted. The Vulnerable Witnesses (Criminal Evidence) (Scotland) Act was passed, meaning that child witnesses will usually give their evidence prior to hearings. And in Northern Ireland, a pilot was launched to reduce delays for child victims of serious sexual abuse who are involved in criminal justice proceedings. And new protocols were published to improve the experiences of young witnesses and enable them to give their best evidence.

# 5.

## Make children safe from abuse online.

**We planned to achieve change in practice and policy to keep children safe from abuse online, by influencing online safety policy and practice, and communications providers through *Wild West Web* and our *How safe are our children?* conference 2019.**

In April 2019, the government's *Online Harms* White Paper set out their proposals for a new online harms regulator that would place a statutory duty of care on websites and tech firms to ensure they take reasonable steps to tackle harmful activity online. In February 2020, the government re-affirmed their commitment, nominating OfCom as the regulator. This is a world-leading set of protections, and they

reflect the overarching policy calls and detailed regulatory thinking of our *Wild West Web* campaign.

Our *How safe are our children?* conference 2019 focused on protecting children online. The conference saw over 600 professionals who work with children come together to share the latest strategies, policies and programmes to prevent child abuse online.

We relaunched Net Aware with new and updated content. This site continues to review social networks, apps and games to provide parents with up-to-date online safety advice.

# Looking forward

We have an ambitious programme for the final year of this strategy. The financial year started during the COVID-19 pandemic, and we reviewed our plans and priorities to make sure we could still be here for children. **Our priorities for 2020/21 are:**



- To mitigate, as far as possible, income lost as a direct result of the pandemic due to cancelled and postponed fundraising activity, so that we can keep our essential services open for children.
  - To ensure children have somewhere to turn through Childline counselling and online services, implementing a more effective chat service through self-help and triaging approaches to direct young people to the most appropriate level of intervention.
  - To make sure there is increased awareness of the NSPCC helpline as a service that is there for all adults who have a concern about a child.
  - To campaign and influence others to deliver policy, practice and behaviour change in: child sexual abuse, making children safer from abuse online, what works in helping children get back on track, and early child development.
  - To develop and deliver our services focused on preventing child abuse and neglect, including the community-based services we run with partners in *Together for Childhood* sites.
  - To enhance and expand our scale up work to improve the outcomes for even more children.
  - To continue our work to support schools' relationships and sex education curriculum, and to propose how we could increase our support of secondary schools in their safeguarding of children.
  - To increase the reach of our up-to-date information and resources around safeguarding for people who work with children.
  - To continue to deliver expert advice to help parents keep children safe online through our partnership with O2.
- Over the last year we have engaged in an extensive piece of consultation, both internally and externally, to define our strategy and what will enable us to make our most powerful, distinct contribution for children over the next ten years. We will continue this work so that we are ready to build on our existing offer and launch an ambitious new strategy in April 2021.**

# Our values

## Our values, principles and standards

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

We put children first in everything we do, and have done for more than 130 years. We believe in children, we want what's best for them, and we make sure that we fight for every childhood.

### Taking a stand

We are courageous in standing up for what is right. We campaign, change laws where necessary, lead public debate and are on the frontline, supporting those who work with children. We will speak out when something is wrong and celebrate success with those who help things improve.

### Making an impact

We base our actions on evidence and the difference we will make to children.

### Remuneration policy

We aim to be an employer of choice and we have around 1,900 paid staff operating from ten regions in the UK and Channel Islands. We engage with 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. While we aim to maximise our impact in improving the lives of our beneficiaries, we know that doing this successfully means balancing different needs. We strive for value for money in everything we do, including how we pay our staff, while offering a wage which enables us to attract, retain and motivate people with the right knowledge, experience and skills.

Our work won't end until we've changed attitudes and transformed services for children, in a way that protects every child and prevents abuse. We're brave in our actions and are 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 be the best, so that we can give every child a life free from abuse. We are constantly learning, developing our work, and measuring what is effective in sharing knowledge with others.

### Working together

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

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 on the next page shows the annual remuneration of the executive board as at 31 March 2020, including defined contribution pension and other benefits.



# Executive board annual remuneration

## as at 31 March 2020

Executive board director	Responsibilities	Annual salary*	Paid in year			
		£'000	FTE~	Salary £'000	Benefits £'000	Pension £'000
<b>Chief executive</b> Peter Wanless	Leading the organisation, which has an annual income of £118 million and employs around 1,900 staff, delivering services across the UK and Channel Islands.	173	1.0	173	1	21
<b>Director of Corporate Services</b> 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.	139	1.0	139	1	17
<b>Director of Children's Services</b> Sherry Malik	Manages the directorate responsible for the development and delivery of preventive, assessment and therapeutic services that work directly with children, young people and their families.	135	1.0	135	1	14
<b>Director of Communications</b> Stephen Hughes (Acting director appointed 20 January 2020)	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.	80	1.0	16	-	2
<b>Director of Fundraising and Engagement</b> Josephine Swinhoe	Manages the directorate responsible for generating the financial resources we need to help prevent cruelty to children. Responsible for managing the NSPCC's supporters and delivering income from donations, legacies and other trading activities of around £102 million.	138	1.0	132	-	5
<b>Director of Strategy, Policy and Evidence</b> Kate Stanley	Manages the directorate responsible for the formulation of the five-year strategy, and for developing and testing activities that will help us to achieve our strategic objectives. Responsible for our research programme, the evaluation of our services and our policy influencing work.	96	0.9	88	-	11
<b>Director of People</b> Brett Terry	Manages the directorate responsible for recruitment, development, and retention for around 1,900 NSPCC staff and thousands of volunteers across the NSPCC.	105	1.0	104	-	4
<b>Director of National Services</b> Claire Johnson	Manages the directorate responsible for providing a range of universal national services that are focused on protecting children and young people and preventing abuse.	110	1.0	113	-	12

\*Annual salary refers to annual salary excluding benefits in kind at 31 March 2020. 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 into 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 2020 we paid increases, based on annual performance ratings, of up to 2.5 per cent for the highest performers (2019 up to 2.25 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 for, 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 55 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 £
P2	16,926	17,205	21,485
P3	19,000	20,315	28,951
P4	24,000	27,241	36,631
P5	29,500	33,245	44,903
P6	34,000	39,898	51,993
P7	41,500	46,863	62,629

Pay ranges exclude any regional allowances which may be given.

In compliance with the Pensions Act 2008 we operate an auto-enrolment pension scheme, in which all eligible employees are automatically enrolled following a postponement period of three months, with employer contribution rates set in line with legislative requirements. Staff are also offered a salary exchange defined contribution pension scheme, where

employer contribution rates match employee contributions, ranging from 4 per cent to a maximum of 7 per cent. We continue to operate a historic defined contribution pension scheme, now closed to new entrants. Our staff based in the Channel Islands have different pension arrangements in compliance with local legislation.

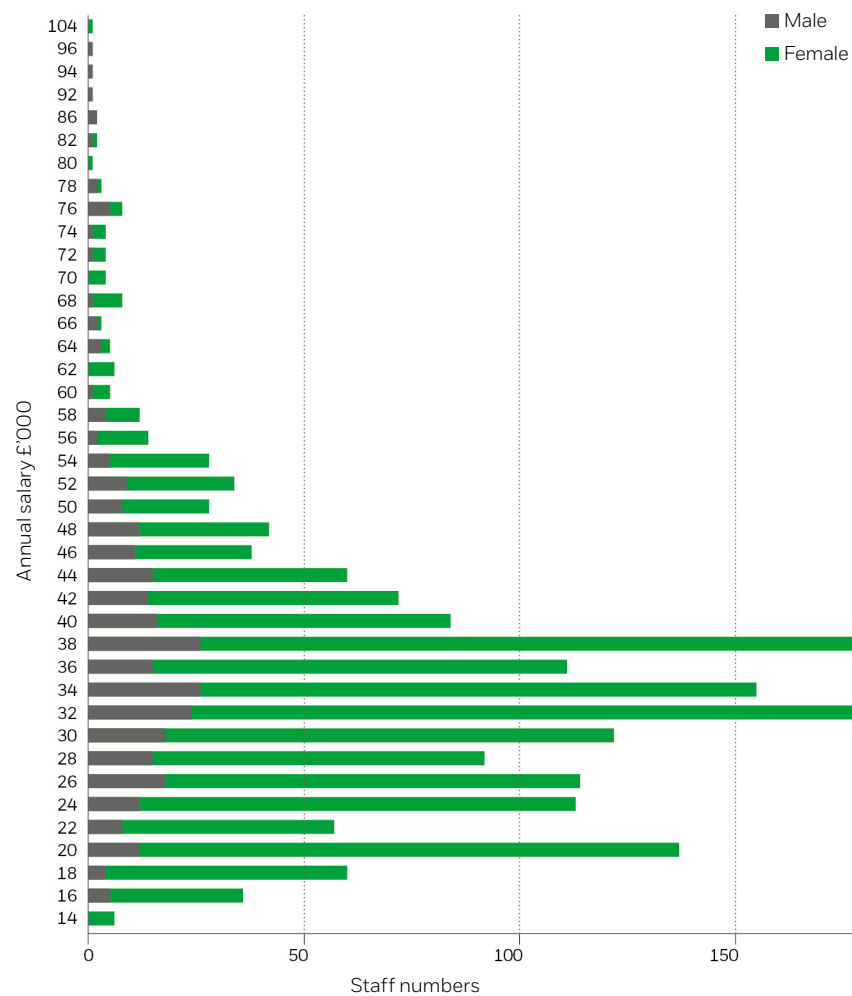
Members of the defined pension contribution scheme receive life assurance cover equivalent to five times their annual salary. Non-members, those auto-enrolled and our staff based in the Channel Islands receive life assurance cover equivalent to one times their annual salary.

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

	2020	2019
Highest paid salary (£'000)	173	173
Median (£'000)	33	33
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 2020**



**Expenses policy**

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

We make use of a travel management company, who provide bookings for rail, air, hotel accommodation, conference and event venues and vehicle hire, in order to reduce travel costs and promote value for money. These 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 five 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 2020.**

	Flights £	Hotels £	Rail £	Other £	2020 £	2019 £
Chief Executive – Peter Wanless	1,046	352	1,607	168	3,173	1,712
Director of Children's Services – Sherry Malik	689	823	1,979	319	3,810	3,718
Director of Communications – Alison Jeremy (Resigned 31 January 2020)	712	814	1,086	286	2,898	1,618
Director of Communications – Steve Hughes (Acting Director appointed 20 January 2020)	-	193	121	-	314	-
Director of Corporate Services – David Roberts	86	579	1,749	853	3,267	881
Director of Fundraising and Engagement – Josephine Swinhoe	338	247	1,184	-	1,769	319
Director of National Services – Claire Johnson	156	115	1,233	211	1,715	2,690
Director of People – Brett Terry	132	-	822	160	1,114	1,001
Director of Strategy, Policy and Evidence – Kate Stanley (Resigned 24 April 2020)	96	198	939	290	1,523	576
<b>Total</b>	<b>3,255</b>	<b>3,321</b>	<b>10,720</b>	<b>2,287</b>	<b>19,583</b>	<b>12,515</b>

### 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 promise to you (previously our commitment to supporters) as follows:**

#### Our promise to you

- We will tell you about the amazing ways you're helping to change children's lives.
- We will follow the highest standards in fundraising.
- We will always keep your personal information safe.
- We will share with you the ways you can keep the children in your life safe.

- We will let you know about new ways that you can help support children.
- We will always give you the power to decide how we contact you.

We receive around 90 per cent of our funding from generous supporters. We raise funds from individuals through one-off donations, regular donations by direct debit, payroll giving, gifts in wills and gaming products such as raffles and lottery. We communicate with our supporters through a selection of mailings, telephone calls, email, and SMS. We have also recruited new donors during 2019/20 through online activity; inserts; television advertising; payroll giving; legacy promotion activity; contactless and direct debit payment collections; and face-to-face fundraising.

As a fundraising charity we incur expenditure in order to raise income. The expenditure on raising funds incurred in 2019/20, not only resulted in income being raised in the year, but will also generate future income, particularly through ongoing regular donations and future legacy gifts, which are our largest sources of income.

During 2019/20, we had external agencies fundraising directly with the public on our behalf. This included 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.

Last 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. During this financial year, we received (either directly or through a person acting on our behalf) a total of 428 complaints relating to individual giving and 160 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 listened 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 surveyed our donors, providing the opportunity to give feedback on the interaction they had. All scores from the survey 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.

# Governance

## How we're organised and governed

Good governance is fundamental to our sustained success as a charity. With good governance in place, we are in the best position to deliver on our mission and achieve our objectives of fighting for every childhood. It enables all of our people to use their skills, together with our resources, to best effect. It helps ensure we are compliant with all relevant legislation; that we're constantly reviewing the risks we are facing; that we provide safeguarding standards of the highest quality; and support a positive culture for all of our people, including our volunteers. We review our charity governance using the Charity Governance Code.

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 registered with the Charity Commission in England and Wales, the Office of the Scottish Charity Regulator, and with the relevant authorities in Guernsey and Jersey.

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.

### Our board of trustees

Our board of trustees (the board) has a 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 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 develops most of the organisation's plans, policies and processes, and is responsible for their implementation, following the board's advice and approval.

### Board composition

Our board currently comprises 16 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. (Trustees elected prior to 2016 were able to serve for three terms.) During 2019/20, Mark Wood, who had served as chairman since 2009, retired and, at the Annual Council Meeting, Neil Berkett was elected as chair.

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 five of the financial statements. Our trustees are recruited through a variety of means, including open advertising. The Society

has a trustee recruitment policy in place which was approved during 2019. 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 nine male trustees and seven female 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. The board recognises the importance of diversity, has recently undertaken a skills and diversity audit, and is seeking to improve the diversity of the board and its trustees when recruiting to fill future vacancies.

Our trustees undergo a comprehensive induction programme and are offered training and development opportunities throughout their trusteeship. The induction typically consists of training in charity trusteeship and safeguarding, as well as induction meetings with the chair, chief executive and directors. It includes visits to Childline bases, service centres and visits to *Speak out. Stay safe.* assemblies in schools. Trustees also have induction meetings with the chairs of the committees on which they will sit.

Following the 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; they aspire to exceed the requirements and have agreed an action plan which will aid continual improvement in the NSPCC's governance.

In the Spring of 2020, the board commenced a board evaluation exercise with an external facilitator in accordance with the Charity Governance Code. Any recommendations arising from the

evaluation will form an action plan which will be driven by the nominations and governance committee.

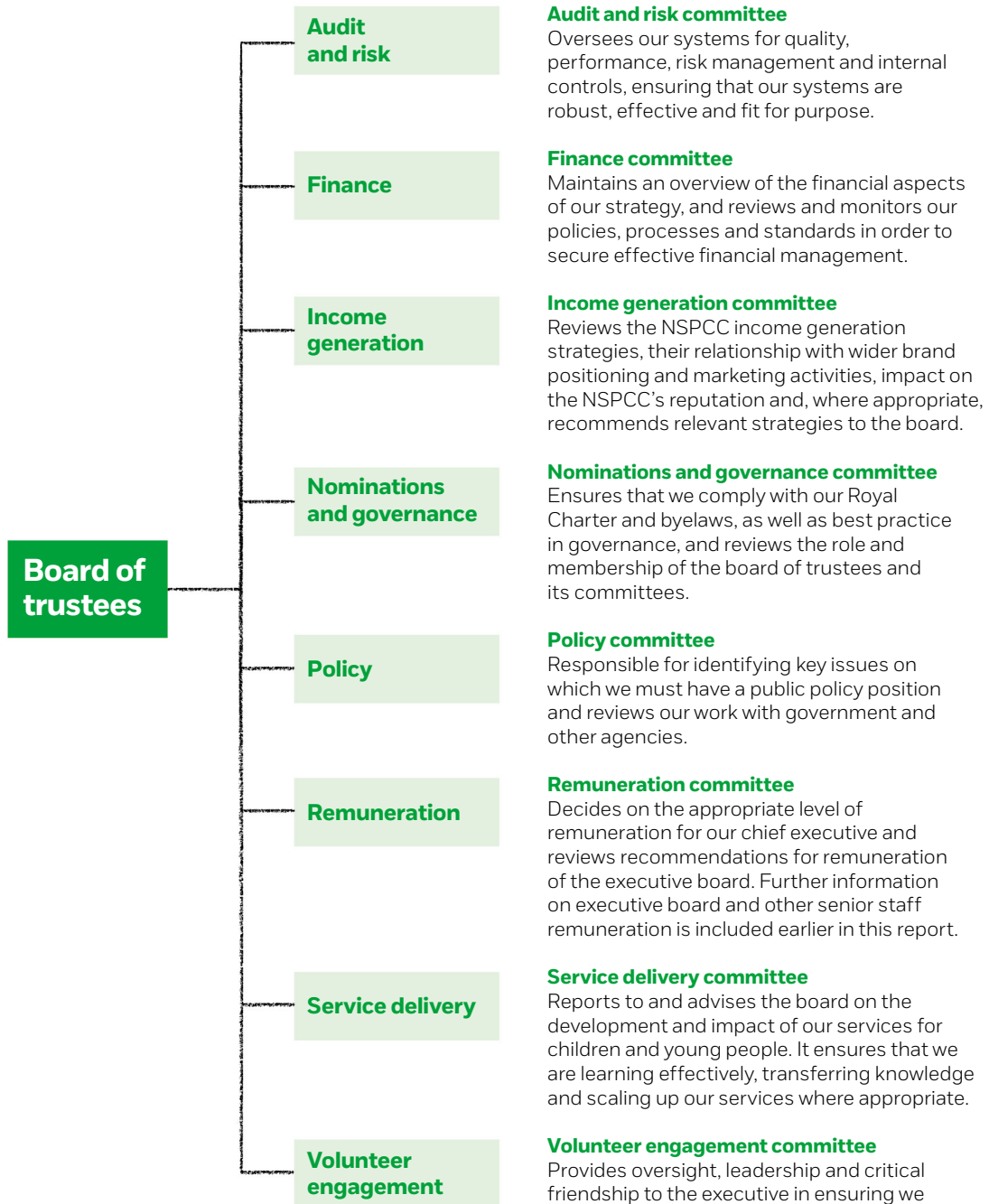
### Board meetings

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.

There are certain matters which the board reserves to itself through a written schedule. These include the approval of our annual plan and budget, and our overall strategic direction. The Matters Reserved for the Board statement makes clear the trustee board's responsibilities and where there are clear delegated authorities to act on their behalf. Delegated authorities are discharged through the committees of the board or through the chief executive. The chief executive is accountable to the board for the day-to-day running of the NSPCC and the execution of the day-to-day strategy and policies agreed by the board and/or its committees.

Each board committee has defined terms of reference, detailing the delegated authorities where appropriate. During the year, it was determined that two of our committees were no longer fit for purpose. As a result, we replaced the fundraising committee with our income generation committee in recognition of the need to diversify our sources of income. Trustees also decided to replace the divisional trustees committee with a volunteer engagement committee in order to better meet the needs of our Schools Service and Childline volunteers, and to hold the executive accountable for the implementation of the Volunteer Engagement Programme. At the time of writing, The Matters Reserved for the Board document and the terms of reference of committees were being updated to ensure they meet best practice and continue to serve the needs of the NSPCC.

# Committees of the board



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.



# Principal risks and uncertainties

## Risk environment

The NSPCC works in a high-risk environment. Most of the children we work 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 areas of the UK where need is great. Working in this way increases our level of risk. This is something the NSPCC 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.

### Coronavirus (COVID-19) pandemic

In quarter 4 2019/20, at the commencement in the UK of the coronavirus pandemic, risks were reviewed and updated with particular focus on the implications of COVID-19 for the organisation. The Business Continuity Risk was reassessed. As previously reported to the audit and risk committee and board of trustees, this risk was closed on the Strategic Risk Register having reached its target score in March 2019 and is monitored at an operational level. Due to the nature of this national emergency, and the fact that the effect of a pandemic had not been tested, the organisation faced a unique challenge that its business continuity plans had not prepared for. Nevertheless, on the whole, many of the actions and controls remained relevant

although certain changes in respect of working practices and the use of technology needed to be, and were, addressed quickly.

Government guidelines and instructions could be followed without delay. Some of the key mitigating actions are explained below:

- **Business continuity plans and testing** – these were up to date and sufficient to deal with most scenarios involving the loss of a single site and the need to redeploy our staff/volunteers to another site or for them to work at home. It had not been anticipated that the entire organisation would be required to work remotely/virtually as in the case of this pandemic. At the commencement of the pandemic, prior to the lockdown, a test had been arranged to ensure

there was sufficient capacity for the entire organisation to work remotely. However, events moved so quickly there was no time for the test and at extremely short notice remote working had to start nationwide with immediate effect.

The technology that we had in place in terms of software applications and hardware could support the continued operation of the organisation. However, for certain roles, remote working created challenges. Certain roles were always envisaged as being based in offices utilising desktop computers; the organisation utilises over 1,100 desktop machines, most of which are in the counselling rooms. Where the business was no longer able to access sites where those computers were located, that created a challenge to have sufficient hardware available to access applications remotely. Some staff could use their own personal computers to access applications remotely through Citrix, and approximately 400 staff are doing this currently. In other instances, staff found that due to competing demands for personal computers, namely other members of their household working from home and/or children being home-schooled, they did not have hardware available. The organisation immediately sourced 200 new and refurbished laptops and has subsequently been donated further equipment from corporate supporters in order to continue our vital work.

- **NSPCC helpline and Childline** – business continuity scenarios were on the basis that if a site(s) were out of action, the function would relocate to another site but this was not possible with the pandemic. In addition, even where access to a site was still feasible and travel was permitted due to key worker status, social distancing significantly constrained the number of staff and volunteers in a building at any one time. As such, immediate changes were made to the helplines' software applications to allow remote access for certain functions that previously could only be carried out in an NSPCC base, such as responding to NSPCC helpline and Childline emails. Initially, there was a significant reduction in contacts to the NSPCC helpline about concerns in relation to the safety of children as children were less visible due to the lockdown. However, as a result

of a government-funded awareness campaign, contact levels have returned and increased to pre-lockdown volumes.

- **Children's Services face-to-face sessions** – it was never envisaged that face-to-face sessions with service users would not be able to take place. Our service centres were closed due to the pandemic and there was initial disruption to some face-to-face work and most group work was significantly disrupted. However, face-to-face work was resumed within two weeks with new guidance and technology in place, and some group work also gradually resumed. In addition, we found that referring agencies stopped or significantly reduced the number of children and young people referred to our services in the early weeks of the lockdown.
  - **Income** – it was never envisaged the scenario where people could not partake in activities together such as our special events like the Childline Ball and mass participation events such as the London Marathon that are key to our fundraising. In addition, a significant driver of the value of our legacy income is the sale of properties and share portfolios. With the shutdown of the housing market and falling stock prices, these will undoubtedly have a significant impact on our legacy expectations. Our most significant income stream is where members of the public make monthly donations to the NSPCC. There are challenges around being able to continue previous models to sign up new donors, such as having stands in shopping centre venues or airports. In addition, concerns over job security and potential job losses, especially with the cessation of any furlough arrangements, may have an impact on supporter attrition. However, early indications have not suggested an increase in our attrition rate during the period of lockdown.
- With reduced activity levels and challenges to our income as described above, this creates potential for financial deficits where expenditure is exceeding income. The government's furlough scheme has significantly mitigated the immediate impact of this. However, once furlough arrangements cease, we may then need to take further actions to address our expenditure relative to our income.

### 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 the probability of the risk occurring.\*

Assessing the impact of a risk on the NSPCC includes consideration of the following factors: corporate objectives; harm to a child or young person or vulnerable adult (includes adult at risk); service provision; reputation; health and safety; financial and people.

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.

#### The key controls to manage the NSPCC's principal risks and uncertainties are assessed and monitored using the *three lines of defence* model, defined as follows:

##### a) The first line of defence

(teams that own and manage risks): the first line is formed by managers and staff who are responsible for identifying and managing the relevant risk - part of their day-to-day responsibility for achieving objectives through the delivery of services.

##### b) The second line of defence

(director-level leadership teams that oversee the first line of defence or dedicated functions specialising in compliance, data protection etc.): the second line provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed by the first line; it also conducts monitoring to judge how effectively they are doing it.

c) The third line of defence (functions that provide independent assurance):

in the NSPCC, the third line is chiefly provided by internal audit and inspection unit; sitting outside the operational management processes of the first two lines of defence, their main role is to ensure that the first two lines of defence are operating effectively and advise how they could be improved; reporting to the audit and risk committee they provide an assurance that appropriate controls and processes are in place and are operating effectively, and that policies, standards, internal procedures and external regulations are being complied with.

All three lines of defence are responsible for providing assurances on the effectiveness of the controls in place or under development.

Key to the effectiveness of the NSPCC's risk management system is the annual review of the Strategic Risk Register by the board of trustees and the reviews of risk by the audit and risk committee. Risks are also reviewed at each directorate's quarterly business review with the chief executive.

There is an established process for identification of risks, involving senior management leadership teams, risk owners and risk champions in the regular review of the NSPCC's strategic and operational risks.

#### Strategic risks

The Strategic Risk Register (SRR) defines those risks which, if they were to occur, could threaten the NSPCC's ability to deliver the strategy.

There were 12 risks on our Strategic Risk Register as of 31 March 2020. The following two have controls in place to sufficiently mitigate the risks but remain on the Strategic Risk Register while mitigation is being monitored.

#### Weaknesses in staff recruitment and retention

During August 2018, the Safe Recruitment Inspection was conducted that was on the September 2018 audit and risk committee agenda. The outcomes of the inspection indicated a number of elements in the process of recruitment that required improvement, specifically, greater clarity of procedures aimed at managers and the need for greater compliance in practice.

A full review of this risk was carried out and controls previously in place, were implemented by the review dates. The current score was therefore reduced in March 2019 to meet the target score to reflect this.

All of the controls remained in place and it was agreed to close this risk at the March 2019 audit and risk committee review. It was also agreed that this risk will remain on the Strategic Risk Register for monitoring purposes.

#### NSPCC failing to respond effectively to the Independent Inquiry into Child Sexual Abuse (IICSA)

All of the controls remain in place. Risks and controls are being monitored at an operational as well as at a strategic level with updates as and when required. It was agreed to close this risk at the March 2018 audit and risk committee review. However, as the Inquiry is still ongoing, it was also agreed that this risk will remain on the Strategic Risk Register for monitoring purposes.

The following ten risks had yet to reach their target score and as each risk's target score is determined by the society trustees' risk appetite, the steps required to attain the target score are closely monitored. The chief executive reviews the progress in developing the required controls to mitigate the risk on a quarterly basis. We have target dates for each control still under development as well as the expected date that all required controls will be in place, meaning the target score will be met. The audit and risk committee also monitor this progress. The status of each of the outstanding risks is set out below:

#### 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 an internal review by inspection. Following the February 2017 inspection, evidence was provided that all of the recommendations were implemented.

Although only one in number, the control under development is significant as it relates to 'Integrated systems improve the volunteer experience and efficiency of processes: e-recruitment

platform; volunteer portal and e-learning'. This involves a Volunteer Engagement Programme with creation of a digital workstream that is being implemented in two main phases, hence the continued current score.

#### Safeguarding

The risk title was amended and approved at the March 2019 audit and risk committee to reflect that through action or omission the NSPCC leaves a child or young person or adult at risk in a situation that increases the risk to them of death, serious injury or serious harm. The target probability and impact scores were reduced in March 2019 to reflect effective controls and an effective inspection judgement.

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.

Following a review of controls, and taking account of the outcome of inspections, there are two controls that still remain under development. One control relates to 'Childline practice standards and procedures, including the counselling model and confidentiality policy' under development to allow for the implementation of a revised counselling model. The other control concerns children and young people's participation in NSPCC. This function was moved to a different directorate and a review of controls is being undertaken.

Control owners are including and updating as required how controls that are in place are monitored, with maturity levels being adjusted as appropriate. The current probability and impact scores are unchanged and continue to reflect the two controls under development and also the levels of maturity of some controls that are in place.

#### 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

\*Both on a scale of 1 - 5.

that they are adequate to provide defence against the latest threat profile. As such, new controls will continue to be required and there will be a need to adopt new technologies. 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.

Company 85 are acting as a second line of defence to oversee operational security provided by the IS service providers and to act as a trusted adviser to the NSPCC. In this role, they will continue to work with the IT team and the managed service providers to enhance the security posture to provide a more effective security service.

The monitoring processes for these controls frequently identify new threats or the need to enhance existing controls, and as such, while the target score is a theoretical goal, the reality is there will always be additional work to be undertaken to strengthen the security posture and to mitigate the risk.

Two new controls were added in quarter 4, 2019/20:

A redesign of the security assessment process for suppliers took place. This was broken down into three tiers based on risk. This will enable us to quickly assess providers who are deemed to have a low security risk while conducting a more detailed assessment when required.

A Data Loss Prevention Solution is being deployed. This technology will identify all sensitive data within our environment and, over time, learn what normal data movement looks like. We will then be able to use this information to apply new controls.

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

Our assessment of reputational risk was fully refreshed in the second half of 2019 following a thorough review of the arrangements by which the NSPCC enters into partnership arrangements with individuals and organisations. The review recommendations included the addition of two new controls in September 2019:

i) Policies in place to review level of risk of the NSPCC's working relationships

with public representatives (including 'celebrities', NSPCC ambassadors, organisations and suppliers). Policies include: clear processes for assessing suitability, making decisions and accountability; and effective escalation mechanisms, including to trustees where reputational risk is assessed as being potentially significant to the organisation or as new information arises.

ii) Review existing NSPCC public representatives (including 'celebrities' and ambassadorial agreements) and other relevant working relationships using the updated policies, review processes and escalation mechanisms. Take action where necessary.

Those controls are now in place. An action plan following the review was agreed by the board of trustees at its meeting on 2 October 2019, with progress against all recommendations tracked initially on a monthly basis by the chief executive and a group of trustees tasked with overseeing this work.

New processes have been signed off internally and are monitored regularly to ensure effective implementation.

#### Data protection

A new control framework for data protection was implemented when the chief data protection officer (DPO) left the NSPCC. Since September 2018, in addition to our internal Data Protection and Compliance team, we have had an external DPO whose comments have included: "The NSPCC has a solid and evolving data protection framework in place. The NSPCC have embraced the challenges of the General Data Protection Regulation 2016 (GDPR), created a good level of awareness across the organisation and invested considerably in its Data Privacy Champions."

The appointed Data Privacy Champions have been trained to CIPP/E level by an external training organisation. The Data Privacy Champions (DPCs) are supporting compliance staff and the vast majority have taken their professional examinations to become Certified Information Privacy Practitioners.

Internal Audit conducted an audit of Data Protection in June 2019 and gave an overall rating of 'Fully Effective'. The

report contained four Priority 3 (low risk) recommendations, all of which have been completed with further work beyond the recommendations ongoing. These additional recommendations will further enhance data protection practices within the organisation.

The current score is unchanged as the risk still remains as 'possible' rather than 'likely'.

#### Inability to achieve NSPCC organisational goals through Childline

The Childline Development Programme team was formed in January 2018 and the project due to come to a close quarter 4 2019/20 with significant work ongoing in particular around the new counselling model, improved contact management and chat triaging. There are deliverables against each project and their successful implementation will enable us to reduce the current risk level. Work that continues beyond March 2020 will be integrated into business as usual activities and projects. However, we are still not meeting some of our key Childline KPIs and further measures are also required. We are discussing other measures we should take to the executive board to agree how to better meet these KPIs.

An Internal Audit of 'Childline Development Programme: Key controls' was completed in December 2019 and the outcome was 'Fully Effective'.

#### Failure to deliver multiple organisational change programmes effectively results in a loss of service or reputation

Managing change is essential at the NSPCC and managing change well is even more essential. The development of the Project Co-ordination Group now has full oversight of all large change projects. This risk was approved for inclusion on the Strategic Risk Register at the 2 July 2019 audit and risk committee meeting.

Regarding the control in place: the Project Co-ordination Group (PCG) having clear terms of reference and reporting to the executive board – the monitoring measures have been updated in Q3, 2019/20, as the PCG is now reporting to the executive board every two months rather than monthly. This reflects the fact there

are increased control measures and assurances that the control is in place.

We anticipate benefitting from the recommendation of the PCG in respect of increased project management resource and consistency in approach across the NSPCC.

#### Not optimising digital channels, approaches and mindsets effectively and quickly enough in pursuit of commercial, income generation and fundraising goals at the NSPCC

This risk was approved for inclusion on the Strategic Risk Register by the audit and risk committee at the 02 July 2019 meeting. This risk follows on and expands from the previous closed risk SRR28 on 'pace of digital transformation'. It focuses on a narrower scope which is an immediate area of priority, that is, the need to optimise how digital can better enable fundraising, commercial and income generation activities including volunteer recruitment and retention.

The rationale for a high current score is because there are a number of controls currently under development which only once completed can deliver a tangible increase in digital effectiveness/performance and thereby reduce the probability of risk reflected in the target score.

With digital media and channels becoming more and more important as the preferred method to engage with people in the years ahead and soon becoming the main channel, there is still a high risk that our growing digital effectiveness/performance will not deliver optimum results by the end of financial year 2019/20. But the improvements in the controls in the 2019/20 financial year will lay the foundation for further momentum in subsequent periods, which may reduce the current and target scores of future digital risks.

Some controls have been put in place over Q3, 2019/20, but there are several due in Q1 and Q2 of 2020/2021, e.g. a mobile digital fundraising toolkit in place involving creating online and offline guides and other controls aligned with the Supporter Data Strategy that is not due for completion until March 2022.

**There is a shortfall in NSPCC budgeted income leading to a fall in planned fundraising revenue of more than five per cent in-year, and/or 15 per cent over a five-year period**

This risk was approved at the September 2019 audit and risk committee meeting.

This risk is now owned by the Fundraising and Engagement directorate following the transfer of the Individual Giving team from the Communications directorate. This risk has been updated to further ensure that all areas of Income Generation are considered and does not solely focus on individual giving. Regular donations from individuals (Individual Giving) have been in decline at the NSPCC for a number of years due to the increased cost of acquiring new regular givers. We will need to diversify our income streams and approach if we are to reverse the decline in the NSPCC's income. The controls identified to mitigate this risk are designed to ensure that there is no greater decline in the NSPCC's income steeper than the decline already forecast over the Strategic Plan period.

Despite the challenges, management in Q4 of 2019/20 were confident that the risk of "an unplanned shortfall in income leading to a fall in planned revenue of more than five per cent in-year, and/or 15 per cent over a five-year period" is manageable.

A particularly challenging reforecast in January 2020 did not push us close to the stated thresholds and therefore the probability scores have been reduced accordingly. However, we still need to monitor this closely in 2020/21 and maintain progress on finding and delivering new income streams, replacing door-to-door acquisition, and monitoring our existing income streams carefully to ensure that they remain healthy.

The current score has been reduced. However, with outstanding controls of delivering new Income Generation products and renewing our legacy strategy – key work our two largest income streams – this risk cannot be considered closed. We have also therefore reduced the Target Score with probability reassessed.

The due date for this risk meeting its target score is 31 March 2021 due

to the controls under development, including the development of the wider supporter journeys aligned with the data supporter strategy increasing the scope that should be in place by March 2021.

Until all controls are in place, the target score will not be reached. It is worth noting however, that it is likely new controls will be added over time, therefore even if the target score is reached, we propose that this risk is retained on the Strategic Risk Register for monitoring purposes.

An Internal Audit of "Fundraising Income: managing the risk of a shortfall in income" was completed 21 October 2019. The audit opinion was "Effective". There were a couple of minor observations to ensure that the controls on the risk statement reflected the audit findings and these were included.

**Failure to develop an effective organisational strategy for 2021 onwards**

At November 2019 audit and risk committee meeting this new risk to replace SRR29 "NSPCC Strategy 2016-21 is not well executed" was submitted and approved for inclusion on the Strategic Risk Register.

Risk remains above target score as decisions are yet to be taken on the strategy, and there remains a strong possibility that our strategy is too broad.

## Public benefit and how our activities deliver it

We have a duty to have due regard to the Charity Commission's public benefit guidance, under section 17 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' responsibilities statement

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

The law applicable to charities in England, Wales and Scotland requires the trustees to prepare financial statements for each financial year which must give a true and fair view of the state of affairs of the group, and of the incoming resources and application of resources of the group 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 judgements 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended) 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 88 to 113.

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 a decrease in income this year due to reduced recycling income. The company had a profitable year and continues to develop its activities to support our work. The profit of £1.4 million (2019 £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 2020 it received £0.3 million legacy income (2019 £0.9 million). This is paid by way of a grant to the NSPCC, towards the operation for the Childline service for which the funds were received.

## Patrons, trustees, officers and professional advisors

### Royal Patron

HRH The Countess of Wessex

### President

HRH The Countess of Wessex

### Royal Patron of Childline

HRH The Countess of Wessex

### President of Childline

Dame Esther Rantzen DBE

### Board of trustees

#### Mark Wood CBE DBA FCA BA

- Trustee 2010 to 3 October 2019
- Chairman to 1 October 2019
- Finance committee (member to 1 October 2019)
- Nominations and governance committee (chair to 1 October 2019)
- Policy committee (chair to 1 September 2019)
- Remuneration committee (chair to 1 October 2019)

#### Neil Berkett\*

- Trustee since 4 October 2018
- Vice-chair to 1 October 2019
- Chair from 2 October 2019
- Finance committee (member)
- Nominations and governance committee (chair from 2 October 2019)
- Policy committee (member)
- Remuneration committee (chair from 2019)

#### Elizabeth Brash

- Trustee since 2015
- Vice-chair to 11 December 2019
- Divisional trustees to 19 September 2019<sup>1</sup> (chair)
- Income generation committee (member)
- Nominations and governance committee (member to 11 December 2019)
- Remuneration committee (member to 11 December 2019)
- Volunteer engagement committee (member)

#### Pippa Gough MA MSc PGCEA RN RM HV FQNI FRSA

- Trustee since 4 October 2018
- Vice-chair since 12 December 2019
- Policy committee (chair from 2 September 2019)
- Nominations and governance committee (member since 4 December 2019)
- Remuneration committee (member since 12 December 2019)

#### Sarah Ridgway

- Trustee since 4 October 2018
- Vice-chair since 12 December 2019
- Divisional trustees to 19 September 2019<sup>1</sup>
- Nominations and governance committee (member since 12 December 2019)
- Remuneration committee (member since 12 December 2019)
- Service delivery committee (member)
- Volunteer engagement committee (chair since 12 December 2019)

#### James Bailey Chartered FCSI NASD Series 7

- Trustee since 2013
- Audit and risk committee (member)
- Divisional trustees to 19 September 2019<sup>1</sup> (member)
- Volunteer engagement committee (member)

#### Dr Joanna Begent MBBS

- Trustee since 2015
- Policy committee (member)

#### Andy Briggs FIA

- Trustee since 2016
- Income generation committee (chair)

1. The divisional trustees committee was disbanded following the meeting on 19 September 2019 and replaced with the volunteer engagement committee.

\*Neil was also previously an NSPCC Trustee from 2010 to 2017

**Clem Brohier ACMA CGMA FRSA**

- Trustee since 2016
- Audit and risk committee (chair)

**Professor Tanya Byron PsychD**

- Trustee since 2016
- Policy committee (member)

**Fiona Curteis**

- Trustee since 2013
- Lead trustee with responsibility for safeguarding
- Audit and risk committee (member)
- Divisional trustees to 19 September 2019<sup>1</sup> (member)
- Volunteer engagement committee (member)

**Andrew Kerr**

- Policy committee (member)
- Service Delivery committee (member)

**Tarek Khlal MBA**

- Trustee since 2015
- Income generation committee (member)

**Lady Brenda McLaughlin CBE Dip Soc Stds**

- Trustee since 2012
- Divisional trustees to 19 September 2019<sup>1</sup> (member)
- Volunteer engagement committee (member)
- Service delivery (chair)

**Derrick Mortimer**

- Trustee since 4 October 2018
- Divisional trustees to 19 September 2019<sup>1</sup> (member)
- Finance committee
- Service delivery committee

**Thomas Toumazis MBE**

- Trustee since 4 October 2018
- Income generation committee (member)

**John Worth FCA**

- Trustee since 2016
- Honorary treasurer
- Audit and risk committee (member)
- Finance committee (Chair)
- Remuneration committee (member)

**Co-opted members**

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

**Catherine Baxendale FCIPD**

- Service delivery committee

**David Barker**

- Finance committee

**Mark Corbidge**

- Finance committee

**Gavin Dein**

- Income generation committee

**John Devaney**

- Policy committee to 3 February 2020

**Steve Hart**

- Audit and risk committee

**Estelle Lloyd**

- Income generation committee from 1 April 2019

**Mark Luboff**

- Finance committee

**Jonathan Middup CA**

- Audit and risk committee

**Professor Helen Minnis**

- Policy committee from 1 September 2019

**Hywel Peterson**

- Income generation committee from 1 April 2019

**Andrew Ross**

- Income generation committee from 1 April 2019

**Gavin Sanderson FCA**

- Finance committee

**Paul Snell**

- Service delivery committee

**Rajesh Tugnait MBA CIM**

- *Diploma in Professional Marketing*
- Income generation committee

**Francesca Valli**

- Income generation committee

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

**Steve Delo (Chair)****Alex Camm**

**Tracey Dawkins** (from 9 August 2018)

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

- Peter Wanless

**Director of Children's Services**

- Sherry Malik

**Director of Communications and Marketing**

- Ali Jeremy (to 31 January 2020)
- Steve Hughes (Interim Director from 1 February 2020)

**Director of Corporate Services**

- David Roberts

**Director of Income Generation, Fundraising and Engagement**

- Jo Swinhoe

**Director of National Services**

- Claire Johnson

**Director of People**

- Brett Terry

**Director of Strategy, Policy and Evidence**

- Kate Stanley to 24 April 2020
- Maria Tuck (interim director from 25 April 2020)

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

1 Churchill Place  
London, E14 5HP

**The Co-operative Bank Plc**

9 Prescott Street  
London, E1 8BE

**Auditor****Deloitte LLP**

Registered Auditor  
Hill House, 1 Little New Street  
London, EC4A 3TR

**Investment managers****Credit Suisse (UK) Limited**

One Cabot Square  
London, E14 4QJ

**J.P. Morgan International Bank Ltd.**

25 Bank Street, Canary Wharf  
London, E14 5JP

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

10 Queen Street Place  
London, EX4R 1BE

**Bond Dickinson**

4 More London Riverside  
London, SE1 2AU

**Carson McDowell LLP**

Murray House, Murray Street  
Belfast BT1 6DN  
(who also advise us on a pro-bono basis)

**Charles Russell**

5 Fleet Place  
London, EC4M 7RD

**Wilson's Law**

4 Lincoln's Inn Fields  
London, WC2A 3AA

**Withers worldwide**

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

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

**Baker & McKenzie**

100 New Bridge Street  
London, EC4V 6JA

**Clifford Chance**

10 Upper Bank Street  
London, E14 5JJ

**CMS Cameron McKenna Nabarro Olswang LLP**

Cannon Place  
78 Cannon Street  
London, EC4N 6AF

**Devereux Chambers**

Devereux Court  
London, WC2R 3JH

**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

**Herbert Smith Freehills LLP**

Exchange House  
Primrose Street  
London, EC2A 2EG

**Matrix Chambers**

Griffin Building, Gray's Inn  
London, WC1R 5LN

**Mayer Brown International LLP**

201 Bishopsgate  
London, EC4V 6JA

**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

1. The divisional trustees committee was disbanded following the meeting on 19 September 2019 and replaced with the volunteer engagement committee.



# Financial review

## Summary

Our goal is always to do the most for children with the limited resources that we have. In 2016, we set ourselves an ambitious goal to make 5 million children safer in five years. We are proud to say we have reached above and beyond that, by helping to make over 6 million children safer in just four years. In the last year alone, the NSPCC Schools Service visited over 7,000 schools and spoke to over 1.6 million children. This year we achieved the milestone of reaching 90 per cent of primary schools in the UK and Channel Islands through *Speak out. Stay safe.*

Although our expenditure for the year has reduced, we have maintained the percentage spent on directly helping children and families at close to 80 per cent. This means that for every pound we spend, 80 pence\* goes on charitable activities.

The global coronavirus pandemic brought immediate implications for child protection and welfare and operational challenges to our organisation. In addition, this put further pressure on our ability to raise income for our work, with events unable to go ahead, as well as the longer term economic recovery that is likely as a consequence. This creates further challenges to income generation and the potential for expenditure to exceed income in the short-term. However, due to our continued focus on cost control and improving efficiencies, we were able to close the year with funds just over five months' forward expenditure which will help us withstand this turbulent period.

Although we have received less income this year, income from supporters (donations and legacies, and other trading activities) remained at around 90 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 continues to support our work. We have provided a detailed section on our relationship with donors and funders on page 60.

\* Expenditure on charitable activities is 79.7 per cent (2019: 79.9 per cent) of total expenditure excluding other expenditure.

### How we helped children

Although total expenditure for the year reduced by £3.3 million to £111.3 million (2019: £114.6 million), the amount spent to directly help children and families remained close to 80 per cent of expenditure.\* Expenditure on charitable activities was however £2.9 million lower than last year at £86.8 million (2019: £89.7 million).

Expenditure on Childline and our Schools Service increased by £1.5 million to £21.6 million (2019: £20.1 million). This year we delivered fewer counselling sessions through Childline - almost 240,000 (2019: almost 250,000) - as we experienced a continued increase in the number of children and young people who contact us online. Online counselling sessions take longer as the young person needs time to think about what they want to say, and the counsellor needs time to read and respond to what the young person has written. We have invested in the service, developing an updated counselling model that gives counsellors a wider range of skills and tools, so they can think about the needs of each child that contacts us as well as piloting a new approach to repeat contacts from young people. This was embedded into our working practices in the last quarter of the year. This year we achieved the milestone of reaching 90 per cent of primary schools in the UK and Channel Islands talking to them about how they can stay safe through our *Speak out. Stay safe.* programme. However, as this was the third year of the cycle many of these assemblies were held in harder to reach and smaller schools. Our Schools Service visited over 7,000 schools, a reduction on last year (2019: nearly 8,000), reaching over 1.6 million children (2019: almost 1.8 million children). In total, we have now reached over 22,000 schools and more than 5.6 million children through *Speak out. Stay safe.* since the start of our current organisational strategy in 2016. You can read more about *Speak out. Stay safe.* and our Childline service on pages 23-25.

Expenditure on child protection advice and awareness decreased by £3.4 million to £21.1 million (2019: £24.5 million), following reduced expenditure on face-to-face activity, talking to the general public about our work. In addition, our Say Something campaign £1.0 million, ran last year, with no comparable campaign this year. During

the year, our helpline responded to nearly 69,000 contacts in relation to child welfare, a slight decrease on last year which was our highest ever number (2019: over 73,000).

Expenditure on services for children and families reduced by £0.9 million on the previous year to £39.1 million (2019: £40.0 million). During the year, as planned, we have made changes to our direct services, moving towards concentrating our efforts where they can have the greatest positive impact. This has been partly offset by increased expenditure on *The Lighthouse* in Camden, where the help and support a child needs in the immediate aftermath of sexual abuse is on hand in one place, without delay. You can read more about *The Lighthouse* on page 28.

Expenditure on child protection consultancy reduced by £0.1 million to £5.0 million (2019: £5.1 million). Last year saw the launch of NSPCC Learning, our range of online courses which help organisations and individuals working with children and young people to gain the knowledge and skills they need to keep them safe. This year we published a variety of new free content as well as launching new online courses. You can read more about this service on page 26.

Our efforts over the years to streamline all that we do have enabled us to continually reduce support costs, letting us reduce the percentage of our total expenditure from 7 per cent in 2012 to just 4 per cent last year. This year we have maintained this level of expenditure at £4.7 million, 4.2 per cent (2019: £4.7 million, 4.1 per cent). Support costs include expenditure on governance activities of £0.4 million (2019: £0.4 million).

Governance costs include the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements and strategic planning.

### The support we received

This year our total income remained broadly in line with last year, reducing by £0.3 million to £117.6 million (2019: £117.9 million). As anticipated, in this challenging environment income from individual giving declined, compounded by reduced income from fundraising events. However, these

reductions were offset by an increase in income from our charitable activities and legacy giving.

Overall income from donations and legacies increased by £0.5 million to £93.5 million (2019: £93.0 million). Income from individual giving, including regular donations, reduced by £2.6 million to £51.4 million (2019: £54.0 million), continuing the trend of decline in the number of committed regular giving relationships, which has reduced in line with expectations to 489,000 (2019: 522,000). Although cancellations of regular gifts were lower than anticipated, a lower number of new regular donors joined in the year, 20,000 (2019: 32,000) due to an organisational decision to reduce and then subsequently cease, door-to-door fundraising activity.

Legacy income increased by £2.9 million to £22.6 million (2019: £19.7 million), driven by a larger number of high value gifts, with 14 gifts over £250,000 (2019: 7) and a further 34 over £100,000 (2019: 28). However, we experienced a fall in legacy notifications in the year, which is likely to impact income in the coming financial year.

Other voluntary income streams decreased by £0.1 million in aggregate.

Income from trading activities decreased by £2.1 million to £9.0 million (2019: £11.1 million). This was due to a reduction in fundraising event income to £3.7 million (2019: £5.8 million), following last year's record £1.2 million raised at our biennial River Café event, combined with lower income from this year's mass participation events portfolio. Sales of goods and other activities remained at £5.3 million in-line with last year.

Income from charitable activities, received primarily from government and other statutory sources, through grants and contracts, increased by £0.9 million to £13.6 million (2019: £12.7 million). As planned we received an additional £0.5 million from the Big Lottery for Blackpool Better Start, which aims to transform services for children, from pre-birth to three years old and to engage and support parents during this critical stage of a child's development. We also received an additional £0.3 million in eLearning sales following the launch of NSPCC Learning last year;

this is our range of online courses which help organisations and individuals working with children and young people to gain the knowledge and skills they need to keep them safe.

Although we have received less income this year, income from supporters (donations and legacies, and other trading activities) remains close to 90 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 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 £80.3 million, an increase of £4.6 million compared to last year. We aim to retain sufficient general funds in a range equivalent to approximately three to five months' forward expenditure. 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 met with some confidence. At 31 March 2020, unrestricted general funds were £66.6 million (2019: £63.4 million). The actuarial valuation of our closed defined benefit pension scheme has resulted in a pension deficit and a negative pension reserve of £13.6 million, a reduction of £2.2 million against last year (2019: £15.8 million). Further details on pensions are given in the pensions section below. Our combined unrestricted general funds, including the pension reserve, total £53.0 million (2019: £47.6 million) and are equivalent to 5.4 months' forward expenditure (2019: 4.8 months). We aimed to build more resilience into the level of reserves we hold and moving into the current pandemic at the top of our reserves cover range provides more certainty, in the short-term, that we can maintain the services we deliver going forward into next year.

At 31 March 2020, designated funds were £17.6 million (2019: £18.4 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, an investment property value of £0.9 million and depreciating property assets of £15.4 million. The remaining average depreciation time for these property assets is 24 years.

At 31 March 2020, restricted funds were £8.3 million (2019: £8.2 million). Restricted funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Of the restricted funds represented by tangible fixed assets, £5.8 million relates to freehold and leasehold property, with a land value of £0.8 million and depreciating assets of £5.0 million with a remaining average depreciation time of 34 years. A further £0.6 million relates to development software intangible fixed assets with a remaining average depreciation time of two years. The remaining balance of restricted funds at 31 March 2020 represents unspent restricted income of £1.9 million, including £0.3 million received for *The Lighthouse* and £0.4 million for *Harmful Sexual Behaviour* which will be used to fund future activities.

### Investments and cash

The trustees have wide investment powers set out in the Royal Charter and by-laws. The trustees have delegated their responsibilities for investments to the finance committee.

JP Morgan and Credit Suisse act as our investment managers, with each investment manager actively managing a mixed portfolio of equities, bonds and cash deposits. They aim to limit the level of market volatility, 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 2020, total cash and investments totalled £74.3 million (2019: £67.4 million). Fixed asset investments totalled £61.4 million (2019: £62.8 million) of which £23.1 million was held in equities (2019: £23.6 million), £32.3 million was held in fixed income bonds (2019: £32.1 million) and £5.1 million was held in bank deposits (2019: £6.2 million). A total of £59.5 million is held by Credit Suisse and JP Morgan (2019: £60.9 million). The charity also holds £1.0 million in a fixed notice bank deposit (2019: £1.0 million) and £0.9 million in investment property (2019: £0.9 million).

Due to the economic impact of the global coronavirus pandemic, fixed investments suffered losses of £2.4 million (2019: gain of £0.6 million), however these investments subsequently recovered in early 2020/21.

Current investments and cash were £12.9 million (2019: £4.6 million), comprising operational cash held plus overnight money market investments. The charity chose to hold this amount of current investments due to the anticipated economic impact of the coronavirus pandemic. The overall return on cash investments for the year ending 31 March 2020 was 0.8 per cent (2019: 0.7 per cent). We also earned rental income of £0.1 million (2019: £0.1 million) from our investment property.

### 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.

This most recent actuarial valuation showed a deficit of £25.2 million. Based on this valuation the charity has agreed with the trustees that, in addition to the £2.0 million annual contribution and £3.5 million lump sum paid in the year to 31 March 2019, it will aim to eliminate the deficit over a period of five years and six months from 1 April 2019 by the payment of annual contributions of £2.0 million. In addition to the annual contributions, a lump sum of £3.5 million will be paid by 31 March 2022 and a lump sum of £4.2 million will be paid by 30 September 2024 subject to the scheme remaining in deficit on the technical provisions set of assumptions. In addition, and in accordance with the actuarial valuation, the charity has agreed with the trustees that it will pay £0.5 million per annum to meet expenses of the scheme and levies to the Pensions Protection Fund. The charity 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 2020 showed assets of £164.1 million with liabilities of £177.7 million, giving a deficit of £13.6 million (2019: a deficit of £15.8 million).

### Going concern

We have outlined the charity's financial position and performance in the financial review above. The year closed with the outbreak of the global coronavirus pandemic and subsequent lockdown. The outbreak is expected to put pressure on our ability to raise income for our work, with events unable to go ahead as planned, and the potential for wider economic recovery to take some time. This creates further challenges to income generation and the potential for expenditure to exceed income in the short-term. You can read more about our operational response to the pandemic on page 66. In this context, we have revisited the 2020/21 budget and beyond, looking at what the impact might be of a lockdown lasting until the end of the year. We have completed this using a bottom up approach consulting with our varied fundraising teams in order to assess the possible impact on income. Having assessed projected future income, expenditure and cash flows over the period to 31 March 2022, including additional downside scenarios and analysed the strength of the charity's reserves, liquid assets and its ability to withstand a short-term material fall in income, 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.



**Neil Berkett**  
Chairman

16 July 2020

### The table below shows the performance of our investment managers at 31 March 2020:

Fund manager	Benchmarks used	Fund value 31 March 2020 £'000	Inception	Performance since Inception %
JP Morgan	49% MSCI All Country World (Local Currency)  51% Barclays Global Aggregate Corporate 1-10 Years Ex. JPY (GBP Hedged)	Equities 14,256	1st October 2018	Performance 2.14 Benchmark (2.43)
		Bonds 13,807		
		Deposits 2,070		
	<b>Total</b>	<b>30,133</b>		<b>Variance 4.57</b>
Credit Suisse	61% Citigroup GBP AAA/AA/A Bonds  31% MSCI World Idx TR Net Hdg into GBP  8% GBP 1 Month Deposit	Equities 8,844	2nd July 2018	Performance (0.26) Benchmark 0.13
		Bonds 18,502		
		Deposits 1,992		
	<b>Total</b>	<b>29,338</b>		<b>Variance (0.39)</b>

\*Expenditure on charitable activities is 79.7 per cent (2019: 79.9 per cent) of total expenditure excluding other expenditure.

# Independent auditor's report to the trustees of the National Society for the Prevention of Cruelty to Children (NSPCC)

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of NSPCC (the 'charity') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2020 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, and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and the Royal Charter.

We have audited the financial statements which comprise:

- the NSPCC Consolidated Statement of Financial Activities;
- the NSPCC and Consolidated Balance Sheets;
- Consolidated Cash Flow Statement; and
- the related notes 1 to 25.

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 Financial Reporting Standard's (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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 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.

### 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.



**Deloitte LLP**  
Statutory Auditor  
London, United Kingdom  
17 July 2020

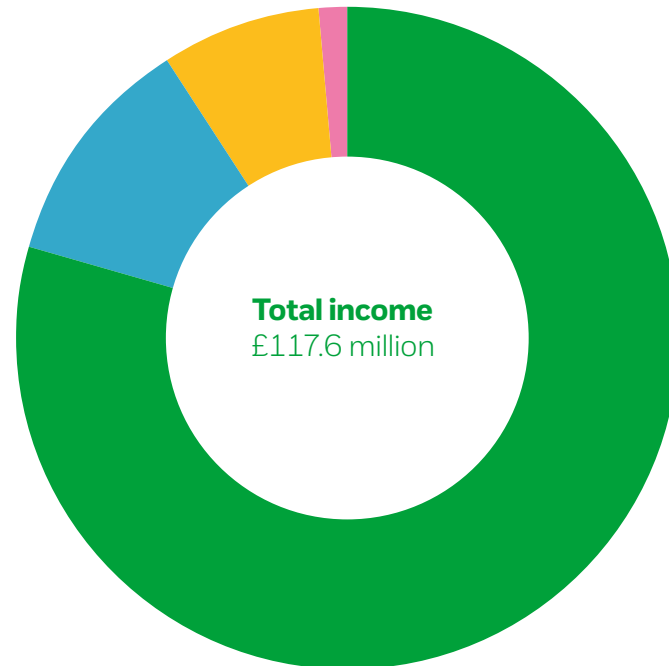
Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

## The support we received

### Donations and legacies £93.5 million (79.5%)

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

(£93.0 million in 2019)



### Income from carrying out our charitable work £13.6 million (11.6%)

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 2019)

### Other trading activities £9.0 million (7.6%)

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

(£11.1 million in 2019)

### Investment income £1.5 million (1.3%)

Income received from our bank accounts and investment holdings.

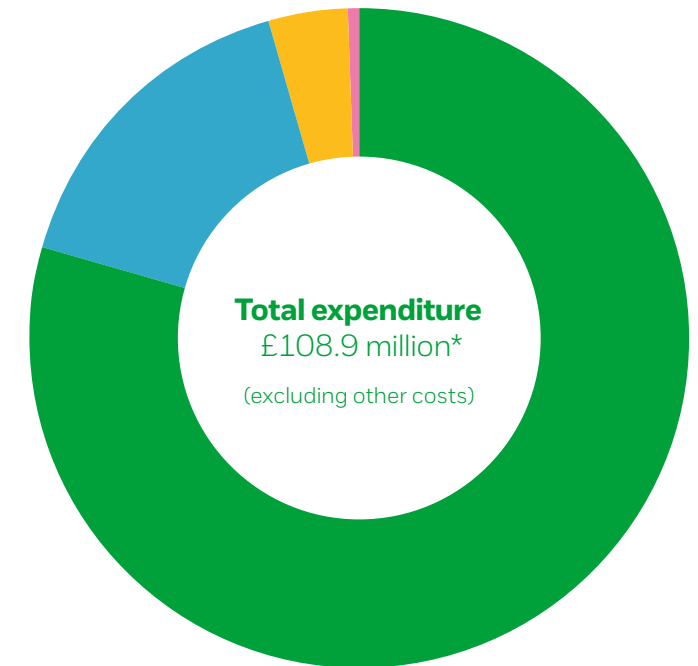
(£1.1 million in 2019)

## How we helped protect children

### Charitable expenditure £86.8 million (79.7%)

The cost of undertaking direct charitable activities which are defined under the following headings: (£89.7 million in 2019)

- Services for children and families £39.1 million (£40.0 million in 2019)
- Childline and the Schools Service £21.6 million (£20.1 million in 2019)
- Child protection advice and awareness £21.1 million (£24.5 million in 2019)
- Child protection consultancy £5.0 million (£5.1 million in 2019)



### Raising donations and legacies £17.4 million (16.0%)

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

(£17.7 million in 2019)

### Other trading activities £4.4 million (4.0%)

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

(£4.8 million in 2019)

### Investment management costs £0.3 million (0.3%)

The cost of managing our investments.

(£0.1 million in 2019)

### Other\* £2.4 million

Other costs incurred.  
(£2.2 million in 2019)

\*Total expenditure was £111.3 million (£114.6 million in 2019) including other expenditure of £2.4 million (£2.2 million in 2019). These costs, as detailed in note five, have been excluded from the figures presented above.

# NSPCC consolidated statement of financial activities for the year ended 31 March 2020

	Notes	Unrestricted funds £'000	Restricted & endowment funds [i] £'000	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Income from:</b>					
Donations and legacies	3	81,721	11,797	93,518	93,042
Charitable activities	4	5,348	8,262	13,610	12,645
Other trading activities	3	6,486	2,473	8,959	11,114
Investments	3	1,501	14	1,515	1,103
<b>Total income</b>		<b>95,056</b>	<b>22,546</b>	<b>117,602</b>	<b>117,904</b>
<b>Expenditure on:</b>					
Raising donations and legacies	5	16,886	510	17,396	17,698
Other trading activities	5	4,372	5	4,377	4,773
Investment management costs	5	320	3	323	140
<b>Raising funds</b>		<b>21,578</b>	<b>518</b>	<b>22,096</b>	<b>22,611</b>
<b>Net income available for charitable application</b>		<b>73,478</b>	<b>22,028</b>	<b>95,506</b>	<b>95,293</b>
<b>Expenditure on:</b>					
Services for children and families		28,849	10,202	39,051	40,004
Childline and the Schools Service		11,403	10,157	21,560	20,148
Child protection advice and awareness		20,256	866	21,122	24,525
Child protection consultancy		4,293	755	5,048	5,068
<b>Charitable activities</b>	<b>5</b>	<b>64,801</b>	<b>21,980</b>	<b>86,781</b>	<b>89,745</b>
Other	5	2,437	-	2,437	2,204
<b>Total expenditure</b>		<b>88,816</b>	<b>22,498</b>	<b>111,314</b>	<b>114,560</b>
<b>Net income before investment (losses) / gains</b>		<b>6,240</b>	<b>48</b>	<b>6,288</b>	<b>3,344</b>
Net (losses)/gains on investments	13	(2,384)	(52)	(2,436)	640
<b>Net income</b>		<b>3,856</b>	<b>(4)</b>	<b>3,852</b>	<b>3,984</b>
<b>Transfer between funds</b>		<b>(60)</b>	<b>60</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension scheme	20	777	-	777	(2,259)
<b>Net movement in funds</b>		<b>4,573</b>	<b>56</b>	<b>4,629</b>	<b>1,725</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		65,989	9,636	75,625	73,900
<b>Total funds carried forward</b>		<b>70,562</b>	<b>9,692</b>	<b>80,254</b>	<b>75,625</b>

[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 22 and 23.

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 2020

Notes	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed assets</b>				
Tangible assets	11	23,906	24,799	23,906
Intangible assets	11	3,019	3,874	3,019
Investments	13	61,411	62,818	61,411
<b>Total fixed assets</b>		<b>88,336</b>	<b>91,491</b>	<b>88,336</b>
<b>Current assets</b>				
Debtors	14	9,699	11,855	9,691
Investments	15	12,000	3,773	12,000
Cash at bank and in hand	15	859	816	678
<b>Total current assets</b>		<b>22,558</b>	<b>16,444</b>	<b>22,369</b>
Creditors – amounts falling due within one year	16	(12,944)	(12,348)	(12,785)
<b>Net current assets</b>		<b>9,614</b>	<b>4,096</b>	<b>9,584</b>
<b>Total assets less current liabilities</b>		<b>97,950</b>	<b>95,587</b>	<b>97,920</b>
Creditors – amounts falling due after one year	17	(8)	(104)	(8)
Provisions for liabilities	18	(4,137)	(4,080)	(4,137)
<b>Net assets excluding pension scheme liability</b>		<b>93,805</b>	<b>91,403</b>	<b>93,775</b>
Defined benefit pension scheme liability	20	(13,551)	(15,778)	(13,551)
<b>Total net assets</b>		<b>80,254</b>	<b>75,625</b>	<b>80,224</b>
<b>Total funds</b>				
Endowment funds	22	1,345	1,400	1,345
Restricted income funds	22	8,347	8,236	8,347
<i>Unrestricted funds:</i>				
Designated funds	22	17,572	18,420	17,572
General funds	22	66,541	63,347	66,511
<b>Unrestricted funds excluding pension liability</b>		<b>84,113</b>	<b>81,767</b>	<b>84,083</b>
Pension reserve	22	(13,551)	(15,778)	(13,551)
<b>Total unrestricted funds</b>		<b>70,562</b>	<b>65,989</b>	<b>70,532</b>
<b>Total funds</b>		<b>80,254</b>	<b>75,625</b>	<b>80,224</b>

The accompanying notes form part of these accounts.

Approved by the board of trustees on 16 July 2020 and signed on its behalf by



Neil Berkett  
Chairman



John Worth  
Treasurer

# Consolidated cash flow statement

## for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Cash flows provided by/used in operating activities:</b>			
Net cash provided by/used in operating activities	a	9,550	(541)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		1,515	1,103
Purchase of tangible and intangible fixed assets		(1,766)	(1,947)
Proceeds from sale of investments		65,833	115,909
Purchase of investments		(66,862)	(113,893)
<b>Net cash used in/provided by investing activities</b>		<b>(1,280)</b>	<b>1,172</b>
Change in cash and cash equivalents in the reporting period		8,270	631
Cash and cash equivalents at the beginning of the reporting period	b	4,589	3,958
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>b</b>	<b>12,859</b>	<b>4,589</b>
<b>Notes to the cash flow statement</b>			
		<b>2020 £'000</b>	<b>2019 £'000</b>
<b>a. Reconciliation of net income to net cash flow from operating activities</b>			
Net income		3,852	3,984
Adjustments for:			
Depreciation and amortisation charges		3,514	3,402
Impairment reversals		–	(33)
Losses/(gains) on investments		2,436	(640)
Dividends and interest from investments		(1,515)	(1,103)
Decrease in debtors		2,155	717
Increase/(decrease) in creditors		500	(2,431)
Increase in other provisions		57	48
Difference between pension contributions paid and charges made		(1,449)	(4,485)
<b>Net cash provided by/used in operating activities</b>		<b>9,550</b>	<b>(541)</b>
<b>b. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		859	816
Current investments		12,000	3,773
<b>Total cash and cash equivalents</b>		<b>12,859</b>	<b>4,589</b>

# Notes to the consolidated accounts

## for the year ended 31 March 2020

### 1. Accounting policies

#### 1.1 Basis of accounting

The NSPCC is a public benefit entity. The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and applicable UK law. The accounts are prepared under the historical cost convention as modified for the revaluation of investments.

After making enquiries, the trustees have a reasonable expectation that the charity and its subsidiaries have adequate resources to continue their activities for the foreseeable future. The year closed with the outbreak of the global coronavirus pandemic and subsequent lockdown. The outbreak is expected to put pressure on the charity's ability to raise income for its work, with events unable to go ahead as planned, and the potential for wider economic recovery to take some time. This creates further challenges to income generation and the potential for expenditure to exceed income in the short-term. The charity has revisited the 2020/21 budget and beyond, looking at what the impact might be of a lockdown lasting until the end of the year and assessed the possible impact on income.

Having reviewed projected future income, expenditure and cash flows and analysed the strength of the charity's reserves, and its ability to withstand a short-term material fall in income, the trustees have concluded that there is a reasonable expectation the charity and its subsidiaries have adequate resources to continue their activities for the foreseeable future. Therefore, 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 10.

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 critical judgements have 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.
- Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy 1.6.

## 1. Accounting policies (continued)

The following are the key sources of estimation uncertainty:

- Actuarial assumptions: See detailed disclosure within note 20.

### 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.

## 1. Accounting policies (continued)

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 6.

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 8.

Any irrecoverable VAT is included as part of the cost to which it relates. The amount suffered in the year is detailed within note 5.

### 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 and investment property 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 Society, 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 22. 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 22.

### 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* - 2 - 5 years

*Intangible assets* - 2 - 5 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.

Impairment reviews on fixed assets 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 the SOFA.

Investment properties are held by the Society 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 SOFA.

Rental income from operating leases is recognised as income from investments in the SOFA 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 SOFA.

## 1. Accounting policies (continued)

### 1.10 Pension costs

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

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

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

### 1.11 Operating leases

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

### 1.12 Tax

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

### 1.13 Cash flow

The Society 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 2020 £'000	Unrestricted funds £'000	Restricted & endowment funds £'000	Year ended 31 March 2019 £'000
<b>Income from:</b>						
Donations and legacies	81,721	11,797	93,518	81,588	11,454	93,042
Charitable activities	5,348	8,262	13,610	4,441	8,204	12,645
Other trading activities	6,486	2,473	8,959	7,216	3,898	11,114
Investments	1,501	14	1,515	1,096	7	1,103
<b>Total income</b>	<b>95,056</b>	<b>22,546</b>	<b>117,602</b>	<b>94,341</b>	<b>23,563</b>	<b>117,904</b>
<b>Expenditure on:</b>						
Raising donations and legacies	16,886	510	17,396	17,239	459	17,698
Other trading activities	4,372	5	4,377	4,757	16	4,773
Investment management costs	320	3	323	136	4	140
<b>Raising funds</b>	<b>21,578</b>	<b>518</b>	<b>22,096</b>	<b>22,132</b>	<b>479</b>	<b>22,611</b>
<b>Net income available for charitable application</b>	<b>73,478</b>	<b>22,028</b>	<b>95,506</b>	<b>72,209</b>	<b>23,084</b>	<b>95,293</b>
<b>Expenditure on:</b>						
Services for children and families	28,849	10,202	39,051	29,089	10,915	40,004
Childline and the Schools Service	11,403	10,157	21,560	10,780	9,368	20,148
Child protection advice & awareness	20,256	866	21,122	23,025	1,500	24,525
Child protection consultancy	4,293	755	5,048	4,318	750	5,068
<b>Charitable activities</b>	<b>64,801</b>	<b>21,980</b>	<b>86,781</b>	<b>67,212</b>	<b>22,533</b>	<b>89,745</b>
Other	2,437	-	2,437	2,204	-	2,204
<b>Total expenditure</b>	<b>88,816</b>	<b>22,498</b>	<b>111,314</b>	<b>91,548</b>	<b>23,012</b>	<b>114,560</b>
<b>Net income before investment (losses)/gains</b>	<b>6,240</b>	<b>48</b>	<b>6,288</b>	<b>2,793</b>	<b>551</b>	<b>3,344</b>
Net (losses)/gains on investments	(2,384)	(52)	(2,436)	626	14	640
<b>Net income</b>	<b>3,856</b>	<b>(4)</b>	<b>3,852</b>	<b>3,419</b>	<b>565</b>	<b>3,984</b>
<b>Transfer between funds</b>	<b>(60)</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension scheme	777	-	777	(2,259)	-	(2,259)
<b>Net movement in funds</b>	<b>4,573</b>	<b>56</b>	<b>4,629</b>	<b>1,160</b>	<b>565</b>	<b>1,725</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	65,989	9,636	75,625	64,829	9,071	73,900
<b>Total funds carried forward</b>	<b>70,562</b>	<b>9,692</b>	<b>80,254</b>	<b>65,989</b>	<b>9,636</b>	<b>75,625</b>

### 3. Analysis of income from raised funds

	2020 £'000	2019 £'000
<b>Donations and legacies:</b>		
Individual giving including regular donations	51,446	54,031
Legacies	22,586	19,664
Regional and community fundraising	9,391	8,089
Corporates, trusts and major donors	7,661	8,526
Schools fundraising	1,907	2,061
Other donations and gifts	527	671
<b>Total</b>	<b>93,518</b>	<b>93,042</b>
<b>Other trading activities:</b>		
Fundraising events	3,683	5,793
Sale of goods and other activities*	5,276	5,321
<b>Total</b>	<b>8,959</b>	<b>11,114</b>
<b>Investments:</b>		
Dividends - UK	341	118
Interest	1,043	873
Rents from investment property	131	112
<b>Total</b>	<b>1,515</b>	<b>1,103</b>

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

Donated goods and services amounted to £592,000 (2019 £393,000), of which £271,000 (2019 £312,000) has been recognised within Other donations and gifts, £125,000 (2019 £nil) within Regional and community fundraising, £113,000 (2019 £26,000) within individual giving including regular donations and £83,000 (2019 £55,000) within Corporates, trusts and major donors.

Donations and legacies includes £nil (2019 £140,000) income received for a capital purpose recognised within Other donations and gifts.

Income from donations and legacies includes £3,433,000 from non-performance related grants (2019 £6,433,000), of which £624,000 are government grants (2019 £1,129,000). 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 £191,000 (2019 £26,000) have been received in the year, of which £54,000 (2019 £19,000) was restricted. Included in fundraising events is £14,000 (2019 £20,000) income reflecting trustee support for other trading activities (such as the purchase of tickets).

### 3. Analysis of income from raised funds (continued)

#### Lottery income

During the year the NSPCC received the proceeds of lotteries held by People's Postcode Lottery ("PPL"). The NSPCC has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal, and therefore only the net proceeds due to the NSPCC are recognised within Sale of goods and other activities above. The NSPCC also runs its own lottery, with proceeds reported gross of prize monies and other expenditure. This income is also recognised within Sale of goods and other activities above. The net proceeds received from PPL are analysed as follows:

	2020 £'000	2019 £'000
Ticket value	7,583	6,743
Prize fund	(3,033)	(2,697)
Third party administration fee	(2,123)	(1,888)
<b>Net lottery income received by the NSPCC</b>	<b>2,427</b>	<b>2,158</b>

### 4. Analysis of income from charitable activities

Income raised by the following child protection activities:

	Statutory funding		Non-Statutory funding		Total 2020 £'000	Total 2019 £'000
	Contracts and fees £'000	Performance related grants £'000	Contracts and fees £'000	Performance related grants £'000		
Services for children and families	2,011	5,217	631	-	7,859	6,955
Childline and the Schools Service	7	1,964	1	5	1,977	1,965
Child protection advice and awareness	(5)	333	22	-	350	585
Child protection consultancy	229	754	2,364	77	3,424	3,140
<b>Total</b>	<b>2,242</b>	<b>8,268</b>	<b>3,018</b>	<b>82</b>	<b>13,610</b>	<b>12,645</b>

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

Income from charitable activities includes £8,350,000 from performance related grants (2019 £7,740,000), of which £8,268,000 are government grants (2019 £7,740,000). There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year. Other forms of government assistance include income from statutory contracts and fees of £2,242,000 (2019 £2,323,000). 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 £19,000 (2019 £19,000) in respect of premises and other facilities which have been recognised as gifts in kind.

## 5. Analysis of total expenditure

Notes	Direct Costs £'000	Support Costs £'000	Total 2020 £'000	Total 2019 £'000
<b>Expenditure on raising funds:</b>				
<b>Expenditure on raising donations and legacies:</b>				
Individual giving including regular donations	5,081	129	5,210	6,311
Legacies	1,630	48	1,678	1,656
Regional and community fundraising	5,061	194	5,255	5,257
Corporates, trusts and major donors	3,599	141	3,740	3,094
Schools fundraising	1,288	70	1,358	1,268
Other donations and gifts	150	5	155	112
<b>Total</b>	<b>16,809</b>	<b>587</b>	<b>17,396</b>	<b>17,698</b>
<b>Expenditure on other trading activities:</b>				
Fundraising events	2,853	101	2,954	3,370
Sale of goods and other activities	1,390	33	1,423	1,403
<b>Total</b>	<b>4,243</b>	<b>134</b>	<b>4,377</b>	<b>4,773</b>
Investment management costs	323	-	323	140
<b>Total expenditure on raising funds</b>	<b>6</b>	<b>21,375</b>	<b>721</b>	<b>22,096</b>
<b>Expenditure on charitable activities:</b>				
Services for children and families	37,314	1,737	39,051	40,004
Childline and the Schools Service	20,400	1,160	21,560	20,148
Child protection advice and awareness	6	20,277	21,122	24,525
Child protection consultancy	4,850	198	5,048	5,068
<b>Total expenditure on charitable activities</b>	<b>82,841</b>	<b>3,940</b>	<b>86,781</b>	<b>89,745</b>
<b>Other expenditure:</b>				
Dilapidations	473	-	473	442
Restructuring	804	-	804	780
Impairment reversals	-	-	-	(33)
Defined benefit pension costs (see note 20)	1,160	-	1,160	1,015
<b>Total other expenditure</b>	<b>2,437</b>	<b>-</b>	<b>2,437</b>	<b>2,204</b>
<b>Total expenditure</b>	<b>106,653</b>	<b>4,661</b>	<b>111,314</b>	<b>114,560</b>

Included in total expenditure is irrecoverable Value Added Tax of £3,827,000 (2019 £4,709,000).

Included in total expenditure are grant payments of £2,405,000 (2019 £2,016,000) have been made to organisations to perform charitable activities, of which £2,405,000 (2019 £2,011,000) are grants to Blackpool council for delivery of services for the Big Lottery funded 'Better Start' programme and £nil (2019 £5,000) is a grant to a local authority for community voluntary organisations to support vulnerable children and families.

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

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

## 5. Analysis of total expenditure (continued)

### 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.

	2020 £'000	2019 £'000
<b>Total expenditure is stated after charging:</b>		
<b>Operating lease rentals:</b>		
Land and buildings	1,563	1,629
Other	498	320
<b>Fees payable to the Charity's auditor for:</b>		
Statutory audit of the Charity and Group accounts	104	101
Statutory audit of the Charity's subsidiaries' accounts	7	7
<b>Total audit fees</b>	<b>111</b>	<b>108</b>
Other assurance services	12	8
<b>Total non-audit fees</b>	<b>12</b>	<b>8</b>
<b>Charges on owned assets:</b>		
Depreciation and amortisation	3,514	3,402
Impairment	-	(33)
<b>Trustees' expenses:</b>		
Trustees' travel, subsistence and other expenses	13	13

Our trustees are based all over the United Kingdom and give their time on a voluntary basis; the trustees are not entitled to and did not receive any remuneration or other benefits during the year (2019 £nil).

Total trustee expenses of £13,000 (2019 £13,000) were incurred in the year, in respect of ten trustees (2019 seven). In addition the Society paid indemnity insurance in respect of the trustees of £8,000 (2019 £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.

## 6. 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.

	2020		2019	
	Raising funds £'000	Child protection advice and awareness £'000	Raising funds £'000	Child protection advice and awareness £'000
Charged directly	9,124	8,297	8,460	8,490
Allocated costs	12,251	11,980	13,444	15,175
<b>Direct costs allocated</b>	<b>21,375</b>	<b>20,277</b>	<b>21,904</b>	<b>23,665</b>
Support costs allocated	721	845	707	860
<b>Total</b>	<b>22,096</b>	<b>21,122</b>	<b>22,611</b>	<b>24,525</b>

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

## 7. Allocation of support costs

Type of cost	Raising funds £'000	Charitable activities £'000	Total 2020 £'000	Total 2019 £'000
Central management and administration	483	2,605	3,088	2,997
Premises, infrastructure and communications	170	967	1,137	1,230
Governance	68	368	436	427
<b>Total support costs allocated</b>	<b>721</b>	<b>3,940</b>	<b>4,661</b>	<b>4,654</b>

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

Premises, infrastructure and communications are costs which enable the buildings and NSPCC facilities to operate effectively, this includes 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.

## 8. Employees

	2020 £'000	2019 £'000
<b>Total staff costs recognised in the year</b>		
Wages and salaries	54,222	55,240
Social security costs	5,580	5,732
Pension costs	7,329	6,936
Other forms of employee benefits	646	771
<b>Total</b>	<b>67,777</b>	<b>68,679</b>

Redundancy costs of £1,003,000 have been paid (2019 £510,000). The amount expensed in the accounts is £914,000 (2019 £818,000), of which £229,000 is provided for (2019 £318,000).

Included within pension costs of £7,329,000 (2019 £6,936,000) are costs relating to the defined contribution scheme of £6,268,000 (2019 £5,921,000) and costs relating to the defined benefit scheme of £1,061,000 (2019 £1,015,000). Pension costs in relation to the defined benefit pension scheme are detailed within note 20.

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 1,918 (2019 1,922). The average number of employees, calculated on a full time equivalent basis for the year was 1,647 (2019 1,692). 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:

	2020 Number	2019 Number
Activities to end cruelty to children	1,320	1,362
Raising funds	204	203
Support and governance	123	127
<b>Total</b>	<b>1,647</b>	<b>1,692</b>

The number of employees whose total employee benefits (excluding employer pension and national insurance costs) for the reporting period amounted to over £60,000 was as follows:	2020 Number	2019 Number
£170,001 - £180,000	1	1
£130,001 - £140,000	3	2
£120,001 - £130,000	-	1
£110,001 - £120,000	1	-
£100,001 - £110,000	2	1
£90,001 - £100,000	2	5
£80,001 - £90,000	5	5
£70,001 - £80,000	17	15
£60,001 - £70,000	19	23
<b>Total</b>	<b>50</b>	<b>53</b>

The table above does not include termination benefits paid in the year. If these were included, one additional employee would be included in the banding £60,001-£70,000 (2019 three), two in the banding £70,001-£80,000 (2019 four), one in the banding £80,001-£90,000 (2019 one), two in the banding £100,001-£110,000 (2019 none) and one in banding £120,001-£130,000 (2019 none).

In addition, for one employee the frequency of attendance at a second office meant that this was deemed as a second permanent workplace and therefore the related travel expenses became classified as a taxable benefit. If these were included, this employee would move from below £60,000 and be included in the banding £60,001-£70,000 (2019 from the banding of £90,001-£100,000 and be included in the banding £110,001-£120,000).

	2020 £'000	2019 £'000
<b>Key management personnel - Group and Charity</b>		
Total employee benefits* received by the Executive board for their services during the year	1,226	1,104

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

## 9. Contribution from volunteers

We are very grateful to our large and hugely supportive volunteer base. Some work tirelessly to raise funds for our cause, 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 240,000 counselling sessions (2019 almost 250,000 sessions) with the help of over 1,400 volunteer counsellors (2019 over 1,400 volunteer counsellors) providing just over 153,000 hours (2019 over 176,000 hours).

- Our *Speak out. Stay safe.* service delivers assemblies and workshops in primary schools to equip pupils with the knowledge and resilience to protect themselves from abuse, and the confidence to seek help. This year, with the help of over 900 Schools Service volunteers (2019 over 900 Schools Service volunteers) we've visited over 7,000 schools (2019 visited almost 8,000 schools) reaching over 1,600,000 children across the UK (2019 reaching almost 1,800,000 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 £3,110,000 (2019 £4,240,000).

- We have 155 branches and over 530 districts (2019 155 branches and over 550 districts) raising funds around the UK, with around 4,600 members (2019 around 4,200 members) who raised over £2,100,000 (2019 over £2,600,000) in the year through organising local community fundraising events.

- In addition there are approximately 83 volunteers (2019 approximately 96 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).

## 10. 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 2020 £'000	NSPCC Trading 2019 £'000
<b>Profit and loss account</b>		
Revenue	1,730	1,876
Cost of sales	(128)	(139)
<b>Gross profit</b>	<b>1,602</b>	<b>1,737</b>
Net operating costs	(164)	(182)
<b>Operating profit</b>	<b>1,438</b>	<b>1,555</b>
Amount gift aided to NSPCC	(1,438)	(1,555)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and funds:</b>		
Assets	1,307	1,371
Liabilities	(1,277)	(1,341)
<b>Total funds including 100 ordinary shares of £1 each</b>	<b>30</b>	<b>30</b>

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

### Childline

Childline is a charitable company limited by guarantee, registered in England and Wales and incorporated in the UK (company registration number 2622689, charity

registration number 1003758). Childline the entity exists to receive legacy income otherwise not receivable by the NSPCC. These funds are paid by way of a grant to the NSPCC.

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

	Childline 2020 £'000	Childline 2019 £'000
Total income	271	876
Total expenditure	(271)	(876)
<b>Net expenditure</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	-	-
<b>Funds balance carried forward</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and funds:</b>		
Assets	27	47
Liabilities	(27)	(47)
<b>Total funds</b>	<b>-</b>	<b>-</b>

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

### NSPCC results (excluding subsidiaries)

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

	NSPCC excluding subsidiaries 2020 £'000	NSPCC excluding subsidiaries 2019 £'000
Total income	115,947	116,115
Total expenditure	(109,659)	(112,771)
Net (losses)/gains on investments	(2,436)	640
<b>Net income</b>	<b>3,852</b>	<b>3,984</b>
Actuarial gains/(losses) on defined benefit pension scheme	777	(2,259)
<b>Net movement in funds</b>	<b>4,629</b>	<b>1,725</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward	75,595	73,870
<b>Funds balance carried forward</b>	<b>80,224</b>	<b>75,595</b>

Total income for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £1,438,000 (2019 £1,555,000) and the grant from Childline of £271,000 (2019 £876,000).

## 11. Tangible and intangible fixed assets

Group and Charity	Freehold property £'000	Leasehold property £'000	Furniture, fittings, and equipment £'000	Total Tangible assets £'000	Total Intangible assets £'000	Total Fixed assets £'000
<b>Cost</b>						
1 April 2019	27,884	14,287	6,787	48,958	8,644	57,602
Additions	93	31	916	1,040	726	1,766
Disposals	–	(27)	(26)	(53)	–	(53)
<b>31 March 2020</b>	<b>27,977</b>	<b>14,291</b>	<b>7,677</b>	<b>49,945</b>	<b>9,370</b>	<b>59,315</b>
<b>Depreciation and amortisation</b>						
1 April 2019	9,941	8,748	5,470	24,159	4,770	28,929
Depreciation and amortisation	419	692	822	1,933	1,581	3,514
Disposals	–	(27)	(26)	(53)	–	(53)
<b>31 March 2020</b>	<b>10,360</b>	<b>9,413</b>	<b>6,266</b>	<b>26,039</b>	<b>6,351</b>	<b>32,390</b>
<b>Net book value</b>						
<b>31 March 2020</b>	<b>17,617</b>	<b>4,878</b>	<b>1,411</b>	<b>23,906</b>	<b>3,019</b>	<b>26,925</b>
31 March 2019	17,943	5,539	1,317	24,799	3,874	28,673

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.

Depreciation and amortisation is recognised as an expense in the SOFA. The expense is charged or apportioned to the relevant SOFA headings reflecting the assets use.

## 12. Capital commitments

There were capital commitments of £350,000 at 31 March 2020 (2019 £300,000).

## 13. Investments

Group and Charity	Equities £'000	Bonds £'000	Bank deposits £'000	Investment properties £'000	Total 2020 £'000	Total 2019 £'000
Market value at 1 April	23,645	32,055	6,218	900	62,818	64,194
Purchases at cost	24,087	7,216	35,559	–	66,862	113,893
Disposals at carrying value	(23,889)	(6,007)	(35,937)	–	(65,833)	(115,909)
Realised loss on investment	899	1	(59)	–	841	(751)
Unrealised gain on investment	(1,641)	(956)	(680)	–	(3,277)	1,391
<b>Value at 31 March</b>	<b>23,101</b>	<b>32,309</b>	<b>5,101</b>	<b>900</b>	<b>61,411</b>	<b>62,818</b>
Historical cost as at 31 March	24,227	33,014	5,101	837	63,179	61,472

Within the financial year pooled funds have been reinvested into direct holdings held by Credit Suisse and JP Morgan. Bank deposits also include £1,032,000 of deposits held directly. Investments are accounted for as detailed within note 1.9.

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 of 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 2020 £'000	Total 2019 £'000
Less than 1 year	81	82
Between 1 and 5 years	–	81
<b>Total</b>	<b>81</b>	<b>163</b>

## 14. Debtors

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	887	1,225	517	898
Amounts owed by group undertakings	–	–	1,118	1,223
Prepayments	2,687	2,600	2,061	1,954
Accrued income	3,050	4,864	2,991	4,770
Other debtors	3,075	3,166	3,004	3,061
<b>Total</b>	<b>9,699</b>	<b>11,855</b>	<b>9,691</b>	<b>11,906</b>

Amounts owed to by group undertakings are non-interest bearing and repayable on demand.

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

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current investments	12,000	3,773	12,000	3,773
Cash at bank and in hand	859	816	678	616
<b>Total</b>	<b>12,859</b>	<b>4,589</b>	<b>12,678</b>	<b>4,389</b>

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

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

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	1,588	1,869	1,574	1,866
Accruals	7,104	5,757	7,056	5,729
Deferred income (see note 19)	1,170	1,260	1,073	1,173
Taxation and social security	1,433	1,423	1,433	1,423
Other creditors	576	806	576	805
Grants payable	1,073	1,233	1,073	1,233
<b>Total</b>	<b>12,944</b>	<b>12,348</b>	<b>12,785</b>	<b>12,229</b>

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

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Grants payable due after one year and less than five years	8	104	8	104
<b>Total</b>	<b>8</b>	<b>104</b>	<b>8</b>	<b>104</b>

## 18. Provisions for liabilities

Group and Charity	Dilapidations on leasehold properties		Restructuring £'000	Other £'000	Total £'000
	£'000	£'000			
Carrying amount at 1 April 2019	2,973	1,058		49	4,080
Additions and remeasurement	430	160		-	590
Amounts utilised against the provision	-	(515)		-	(515)
Unused amounts reversed	(18)	-		-	(18)
<b>Carrying amount at 31 March 2020</b>	<b>3,385</b>	<b>703</b>		<b>49</b>	<b>4,137</b>
<b>Commitments are likely to be met:</b>					
Within one year	1,533	598		49	2,180
After one year and less than five years	1,674	105		-	1,779
After five years	178	-		-	178
<b>Total</b>	<b>3,385</b>	<b>703</b>		<b>49</b>	<b>4,137</b>

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

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

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

## 19. Deferred income

	1 April 2019 £'000	Deferred £'000	Released £'000	31 March 2020 £'000
Statutory sources	76	159	(76)	159
Other non-statutory sources	229	242	(229)	242
Income from fundraising activities	868	672	(868)	672
<b>Total for the Charity</b>	<b>1,173</b>	<b>1,073</b>	<b>(1,173)</b>	<b>1,073</b>
Income from fundraising activities	87	97	(87)	97
<b>Total for the Group</b>	<b>1,260</b>	<b>1,170</b>	<b>(1,260)</b>	<b>1,170</b>

The main reasons for deferrals are as follows:

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Performance related grant conditions not met	94	-	94	-
Potentially refundable income received for future events	770	956	673	868
Other deferrals	306	304	306	305
<b>Total</b>	<b>1,170</b>	<b>1,260</b>	<b>1,073</b>	<b>1,173</b>

## 20. 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 £6,268,000 (2019 £5,921,000). As at 31 March 2020, £517,000 was outstanding and included in creditors (2019 £498,000). 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 2018 and this has been updated to 31 March 2020 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 £25,200,000. Based on this valuation the Society has agreed with the trustees that, in addition to the £2.0 million annual contribution and £3.5 million lump sum paid in the year to 31 March 2019,

it will aim to eliminate the deficit over a period of five years and six months from 1 April 2019 by the payment of annual contributions of £2,036,000. In addition to the annual contributions a lump sum of £3,500,000 will be paid by 31 March 2022 and a lump sum of £4,225,000 will be paid by 30 September 2024 subject to the scheme remaining in deficit on the technical provisions set of assumptions. In addition and in accordance with the actuarial valuation, the Society has agreed with the trustees that it will pay £475,000 per annum to meet expenses of the scheme and levies to the Pensions Protection Fund.

## 20. NSPCC pension schemes (continued)

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

	31 March 2020 £'000	31 March 2019 £'000
<b>Group and Charity</b>		
Fair value of plan assets	164,101	173,359
Present value of defined benefit obligation	(177,652)	(189,137)
<b>Defined benefit liability to be recognised</b>	<b>(13,551)</b>	<b>(15,778)</b>

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

	31 March 2020 £'000	31 March 2019 £'000
Defined benefit obligation at start of period	189,137	186,372
Expenses	689	610
Interest expense	4,640	4,749
Actuarial (gains)/losses	(9,004)	5,471
Benefits paid and expenses	(7,810)	(8,065)
<b>Defined benefit obligation at end of period</b>	<b>177,652</b>	<b>189,137</b>

Expenses include £98,000 Pension Protection Fund levy (2019 £97,000) and £14,000 pension regulator fee (2019 £14,000).

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

	31 March 2020 £'000	31 March 2019 £'000
Fair value of plan assets at start of period	173,359	168,368
Interest income	4,268	4,344
Actuarial (losses)/gains	(8,227)	3,212
Contributions by the Society	2,511	5,500
Benefits paid and expenses	(7,810)	(8,065)
<b>Fair value of plan assets at end of period</b>	<b>164,101</b>	<b>173,359</b>

The actual return on the plan assets over the period ended 31 March 2020 was a loss of (£3,959,000) (2019 gain of £7,556,000).

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

	31 March 2020 £'000	31 March 2019 £'000
Expenses	689	610
Net interest cost	372	405
<b>Defined benefit costs recognised in expenditure</b>	<b>1,061</b>	<b>1,015</b>
Actuarial (losses)/gains on assets	(8,227)	3,212
Actuarial gains/(losses) on liabilities	9,004	(5,471)
<b>Actuarial gains/(losses) on defined benefit pension scheme</b>	<b>777</b>	<b>(2,259)</b>

## 20. NSPCC pension schemes (continued)

### Assets:

	2020 £'000	2019 £'000
UK equities	8,650	9,665
Overseas equities	9,566	9,782
Diversified growth fund	44,677	58,910
Property	9,393	9,736
Cash	1,889	9,028
Insured annuities	47,856	50,693
Liability driven investments	42,070	25,545
<b>Total assets</b>	<b>164,101</b>	<b>173,359</b>

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

### Assumptions:

	2020 £'000	2019 £'000
Discount rate	2.5% pa	2.5% pa
Inflation (RPI)	2.6% pa	3.3% pa
Inflation (CPI)	2.0% pa	2.2% pa
Allowance for revaluation of deferred pensions of CPI or 5% pa if less	2.0% pa	2.2% pa
Allowance for pension in payment increases of RPI or 5% pa if less	2.6% pa	3.2% pa

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.4
Male retiring in 2040	22.5
Female retiring in 2040	24.6

## 21. 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 2020 £'000	Other 2020 £'000	Land and buildings 2019 £'000	Other 2019 £'000
<b>Group and Charity</b>				
Not later than one year	1,185	23	1,317	38
Later than one year and not later than five years	952	42	1,518	49
<b>Total</b>	<b>2,137</b>	<b>65</b>	<b>2,835</b>	<b>87</b>

## 22. Endowment, restricted and designated funds

	Balance 1 April 2018 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance 31 March 2019 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance 31 March 2020 £'000
<b>Permanent endowment funds</b>											
<b>Charity</b>											
Permanent endowment fund	1,361	-	(4)	14	-	1,371	-	(3)	(52)	-	1,316
N Knatchbull endowment fund	10	-	-	-	-	10	-	-	-	-	10
M Glaister fund	10	-	-	-	-	10	-	-	-	-	10
A Sykes fund	9	-	-	-	-	9	-	-	-	-	9
<b>Total permanent endowment funds</b>	<b>1,390</b>	<b>-</b>	<b>(4)</b>	<b>14</b>	<b>-</b>	<b>1,400</b>	<b>-</b>	<b>(3)</b>	<b>(52)</b>	<b>-</b>	<b>1,345</b>
<b>Restricted funds</b>											
<b>Charity</b>											
Childline restricted funds received by NSPCC including funding received from the Child's Voice Appeal for the Helpline Development Project	333	8,223	(8,228)	-	-	328	8,926	(8,839)	-	-	415
Activities to end cruelty to children funded by other restricted donations	325	7,434	(6,704)	-	-	1,055	5,891	(5,536)	-	60	1,470
Capital Projects, including Acquisition of Buildings	6,342	140	(243)	-	-	6,239	-	(234)	-	-	6,005
<b>Details are given below in respect of restricted funds where separate disclosure is required by the funder:</b>											
Childline and NSPCC Helpline funded by the Department for Education	-	2,000	(2,000)	-	-	-	2,000	(2,000)	-	-	-
Capital Project, Helpline Information System Transformation funded by the Department for Education	665	-	(143)	-	-	522	-	(143)	-	-	379
Childline Foyle Helpline in Londonderry funded by the Department of Education Northern Ireland	-	266	(266)	-	-	-	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)	-	-	-	47	(47)	-	-	-
"A Better Start" project in Blackpool funded by the Big Lottery Fund	-	4,080	(4,080)	-	-	-	4,574	(4,574)	-	-	-
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by the Big Lottery Fund	-	106	(106)	-	-	-	-	-	-	-	-
The 'Young Mum's Participation' project in Scotland funded by the Big Lottery Fund	-	-	-	-	-	-	-	-	-	-	-
Childline's anti-bullying work in Scotland funded by the Scottish Government	-	83	(83)	-	-	-	83	(83)	-	-	-
Funding for a volunteer co-ordinator in Scotland from the Scottish Government	-	32	(32)	-	-	-	32	(32)	-	-	-
Childline in Wales funded by the Welsh Government 'Children and Families Organisation' (CFOG)	-	90	(90)	-	-	-	90	(90)	-	-	-
Schools Service in South Wales funded by Masonic Charitable Foundation	-	-	-	-	-	-	-	-	-	-	-
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by Comic Relief	-	92	(92)	-	-	-	-	-	-	-	-
Funding for the salary costs of two 'Protect and Respect' case workers from The City of London Corporation's charity, City Bridge Trust	-	90	(85)	-	-	5	90	(95)	-	-	-
Adverse childhood experiences Coordinator Service Police Innovation Fund Early Intervention and Prevention funded by South Wales Police and Crime Commissioner	-	-	-	-	-	-	-	-	-	-	-
Northern Ireland Young Witness Support Service funded by the Department of Justice Northern Ireland	16	444	(437)	-	-	23	438	(438)	-	-	23
Modern Slavery Innovation Fund funded by the Home Office	-	251	(251)	-	-	-	-	-	-	-	-
Support for victims and survivors of child sexual abuse funded by the Home Office	-	185	(121)	-	-	64	109	(118)	-	-	55
<b>Total restricted funds</b>	<b>7,681</b>	<b>23,563</b>	<b>(23,008)</b>	<b>-</b>	<b>-</b>	<b>8,236</b>	<b>22,546</b>	<b>(22,495)</b>	<b>-</b>	<b>60</b>	<b>8,347</b>
<b>Total restricted and endowment funds</b>	<b>9,071</b>	<b>23,563</b>	<b>(23,012)</b>	<b>14</b>	<b>-</b>	<b>9,636</b>	<b>22,546</b>	<b>(22,498)</b>	<b>(52)</b>	<b>60</b>	<b>9,692</b>
<b>Designated funds</b>											
<b>Charity</b>											
Freehold and leasehold properties	18,866	-	(951)	-	505	18,420	-	(972)	-	124	17,572
<b>Total designated funds</b>	<b>18,866</b>	<b>-</b>	<b>(951)</b>	<b>-</b>	<b>505</b>	<b>18,420</b>	<b>-</b>	<b>(972)</b>	<b>-</b>	<b>124</b>	<b>17,572</b>

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

### Other unrestricted funds

#### Charity

General funds	63,937	91,589	(86,830)	626	(6,005)	63,317	93,055	(84,782)	(2,384)	(2,695)	66,511
<b>Total general funds for the Charity</b>	<b>63,937</b>	<b>91,589</b>	<b>(86,830)</b>	<b>626</b>	<b>(6,005)</b>	<b>63,317</b>	<b>93,055</b>	<b>(84,782)</b>	<b>(2,384)</b>	<b>(2,695)</b>	<b>66,511</b>
<b>Subsidiary companies</b>											
NSPCC Trading Company Limited	30	1,876	(1,876)	–	–	30	1,730	(1,730)	–	–	30
Childline	–	876	(876)	–	–	–	271	(271)	–	–	–
<b>Total general funds for the Group</b>	<b>63,967</b>	<b>94,341</b>	<b>(89,582)</b>	<b>626</b>	<b>(6,005)</b>	<b>63,347</b>	<b>95,056</b>	<b>(86,783)</b>	<b>(2,384)</b>	<b>(2,695)</b>	<b>66,541</b>
Pension reserve	(18,004)	–	(1,015)	(2,259)	5,500	(15,778)	–	(1,061)	777	2,511	(13,551)
<b>Total funds for the Group</b>	<b>73,900</b>	<b>117,904</b>	<b>(114,560)</b>	<b>(1,619)</b>	<b>–</b>	<b>75,625</b>	<b>117,602</b>	<b>(111,314)</b>	<b>(1,659)</b>	<b>–</b>	<b>80,254</b>

Income within general funds for the charity excludes the gift aid donation of £1,438,000 (2019 £1,555,000) from NSPCC Trading Company Limited and the grant of £271,000 from Childline (2019 £876,000).

The transfers from general funds are £2,511,000 for payments in relation to pensions (2019 £5,500,000) and £124,000 to designated funds in relation to property additions (2019 £505,000).

## 23. Analysis of group net assets between funds

Fund balances are represented by:

	Unrestricted			Endowment £'000	2020 Total funds £'000	Unrestricted			Endowment £'000	2019 Total funds £'000
	General £'000	Designated £'000	Restricted £'000			General £'000	Designated £'000	Restricted £'000		
Tangible and intangible fixed assets	3,869	16,672	6,384	–	26,925	4,392	17,520	6,761	–	28,673
Investments	59,166	900	–	1,345	61,411	60,518	900	–	1,400	62,818
Current assets and liabilities	7,643	–	1,963	–	9,606	2,517	–	1,475	–	3,992
Provisions	(4,137)	–	–	–	(4,137)	(4,080)	–	–	–	(4,080)
<b>Total net assets excluding pension reserve</b>	<b>66,541</b>	<b>17,572</b>	<b>8,347</b>	<b>1,345</b>	<b>93,805</b>	<b>63,347</b>	<b>18,420</b>	<b>8,236</b>	<b>1,400</b>	<b>91,403</b>
Pension reserve	(13,551)	–	–	–	(13,551)	(15,778)	–	–	–	(15,778)
<b>Total net assets</b>	<b>52,990</b>	<b>17,572</b>	<b>8,347</b>	<b>1,345</b>	<b>80,254</b>	<b>47,569</b>	<b>18,420</b>	<b>8,236</b>	<b>1,400</b>	<b>75,625</b>

Of the restricted funds represented by tangible & intangible fixed assets £5,823,000 relates to freehold and leasehold property (2019 £5,963,000) and £561,000 relates to intangible assets (2019 £798,000).

## 24. Legacies

The NSPCC has been notified of 748 legacies (2019: 763 legacies) which have not been included within the financial statements as they do not yet meet the income recognition criteria. This includes 86 pecuniary legacies which have an average value of £6,138 (2019: 84 cases with an average value of £13,133). Pecuniary legacies are only recognised once notification of probate is received. The remaining 662 are residuary

legacies, which have an average value of £49,702 (2019: 679 cases with an average value of £39,715). 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 (2019: 12) and 105 residuary legacies (2019: 117) which are not recognised because they are subject to a life interest.

The NSPCC has not waived the rights to any legacy entitlements. In 2019 the NSPCC waived the rights to one legacy entitlement totalling £13,333 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.

## 25. 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 20. Related party transactions with the trustees are detailed within in notes 3 and 5. There were no transactions with other related parties in the year.



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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**