

# NSPCC



## **Safer childhoods, brighter futures**

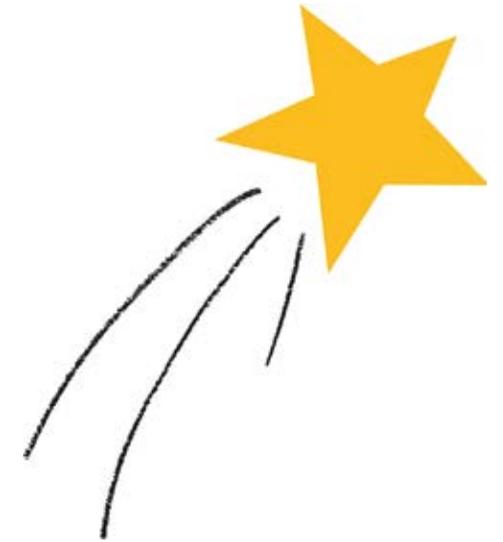
Keeping children safe today  
and for generations to come

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ANNUAL REPORT AND ACCOUNTS 2015/16

**EVERY CHILDHOOD IS WORTH FIGHTING FOR**

# Every childhood is worth fighting for

Child abuse is preventable – not inevitable. And it’s up to each of us to do everything possible to keep children safe, so they can grow up healthy and thrive. That’s why we’re here, and it drives everything we do. So as long as there’s abuse – we will fight for every childhood.



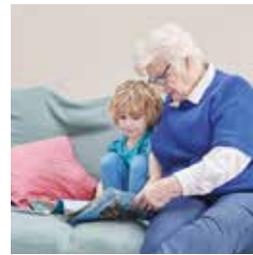
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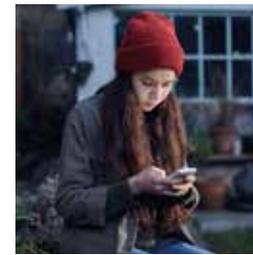
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## Welcome from Mark Wood



We're the leading children's charity fighting to end child abuse in the UK and Channel Islands – that requires an unparalleled dedication from our staff, volunteers and supporters. This dedication rewards us with an unrivalled reputation in child protection, and a knowledge that we're here for any child with nowhere else to turn and any adult worried about a child.

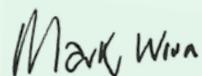
The responsibility we carry, as the UK's authoritative source of knowledge as to how safe our children are, is a crucial one. The media actively seek our views, and governments ask us to work with them to inform policy and decisions. More and more children and adults come to us for help. In the past year there has been a further wave of high-profile child abuse cases, making our work more important than ever. We have to show that abuse can be prevented. We have to do everything we can to protect children and their childhoods.

We face the challenge of preventing child abuse head-on, but this year it wasn't our only challenge. Charity fundraising practice came under immense scrutiny, at first by the media and later government. Along with our peers in the charity sector, we were held to account for how we contact people to ask them to support us. It's essential to maintain our independence, and it's a source of pride that around 90 per cent of our income is from voluntary sources. That means people like you and me, making a regular monthly donation, or being supported to complete a challenging event, or simply being compelled by one of our award-winning campaigns and adverts to send a one-off contribution.

But it's right that we should regularly review how we ask for support. We want people to be inspired by our cause, to understand the impact we can have, why there is urgent need and why it's so important to make sure every child has the childhood they deserve. We have always been concerned to ensure that no-one feels pressurised, misled or hassled into giving us money. We've reviewed all of our fundraising practices, we've ceased some relationships with agencies acting on our behalf and will only work with those operating in line with our values. We've worked with the bodies governing industry practice to make sure stronger and clearer safeguards are in place across the sector.

We have a set of principles that guide our approach to fundraising, and have shared these openly with our supporters. Our focus is the quality of the relationship with our supporters, and their experience. Supporting us means many things; donating money helps, but so does volunteering time for us, taking part in our campaigns, or taking informed actions as an individual to give children the safety they desperately need and deserve.

I would particularly like to express my gratitude to our royal patron, Her Majesty Queen Elizabeth II for her continued support; our president, Her Royal Highness The Countess of Wessex for her tireless work and commitment to our cause; and my fellow trustees, non-executive committee members and branch officers all of who give their time entirely for free. We are united in our determination to fight for every childhood and this depends on your support.



**Mark Wood**  
Chairman of the Trustees

## Welcome from Peter Wanless



This year saw the corporate plan we've been working to since 2009 draw to a close. The plan put learning and evaluation at the heart of our organisation, and was heavily focussed on transforming the role of our services to support this. It laid the foundation for creating a substantial body of insight and research, and a commitment to innovation, evaluation and evidence-based practice, which I outlined in a lecture at Cass Business School in September.

The focus on our services has given us valuable learning on the number of interventions and services we are able to deliver and evaluate simultaneously, while retaining our influence and position of expertise.

This year we took this experience, and all our insight and learning, and in conversation with many others, created a new five-year strategy, commencing in 2016. We saw that there were five areas which we should focus on to help the largest number of children possible. By setting out these areas it would enable us to work collaboratively – both internally and in partnership with our supporters and other agencies – to tackle five specific child protection issues that children and their families face in the UK today, where the NSPCC can make a distinct and crucially important impact.

In this annual report, we'll look at some of the powerful work we've done this year under five themes, showing how it has shaped our new goals:

1. Prevent child abuse in families facing adversity.
2. Prevent child sexual abuse.
3. Help children speak out and adults take action about abuse.
4. Help abused children get back on track.
5. Make children safe from abuse online.

Our goals give us the focus to make the decisions about how we are organised and where we need to invest our resources to have the greatest impact for children. We have learnt we are more likely to succeed if we concentrate our resources in fewer places, so that we have a fighting chance of developing or sustaining the critical mass of expertise and influence necessary to effect change within the local systems.

This informed the decision taken in August 2016, to reduce by nine the number of centres from which we deliver direct services and to restructure the way we deliver services across London. In these areas, as is the case in communities throughout the UK and Channel Islands, we will remain crucially important through our Schools Service, training, consultancy, Childline, our helplines, products for parents, relationships with key agencies and partners, and through providing access to our service-based knowledge.

Our vision – ending cruelty to children – is ambitious. But together, with the support we receive across the entire UK and Channel Islands, we make a real difference to children's lives every day. Thank you for your continued support, which helps us to fight for every childhood.



**Peter Wanless**  
Chief Executive



## What we do

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

For over 130 years we've been helping children who have suffered abuse rebuild their lives, and finding ways to prevent abuse from ruining any more. We know that with the right help, children can thrive, even when families are going through incredibly difficult times – like battling addictions or overcoming mental health problems.

Understanding how to stop abuse ruining childhoods means finding answers to difficult questions. So we create world-class research, learn from experts all over the world, and use our evidence to design services that give children and families the best possible help. And, crucially, we share this knowledge with those who work with children, including through our child protection training and consultancy services, to have a positive impact on as many childhoods as we can. We also talk to children about difficult issues, and reach every primary school in the UK to make sure they understand that abuse is never ok.

Our helplines provide the advice someone needs if they are worried about a child's safety. On average, every ten minutes we have a conversation with a concerned adult which could get a child the help they need. Our professional counsellors, many with backgrounds in jobs like teaching, healthcare and social work, who know how to spot the signs of abuse and how to help, are here 24 hours a day, ready to do whatever they can to protect children.

We know what children are saying, or worried about, or need help with, because on average a young person seeking advice contacts Childline every 25 seconds. Hundreds of thousands of

children find the courage to speak to us each year – on the phone and online – and get the help they need. It means that we can put the problems they face at the heart of everything we do, one of the things that makes us unique as a children's charity. Whatever the problem, whenever they need help, we are here.

Governments listen to us when we demand changes to legislation, and our independence – relying on the public to fund our work – means we can push when others can't. We're regularly named by politicians in parliament, in government reviews and reports, and through this we make children's voices heard by those in power.

Our expertise and insight also comes from our direct work with some of the most vulnerable children and families in the UK, testing and learning new ways of offering better support so we can inspire and influence practice well beyond what we can achieve alone.

Abuse ruins childhood, but it can be prevented. That's why we're here. And 'we' means our staff, volunteers, supporters, members of the public, other organisations from small not-for-profits to big industry leaders, and it means you. We all have a part to play in the fight for childhood. Big or small – through supporting our work, or simply believing, respecting and listening to children – there's something each of us can do to make things better for children.

**Abuse changes childhood.  
But so can we.**

# 5 goals for 5 years to make 5 million children safer

1

## Prevent child abuse in families facing adversity

### We'll know we're making progress if:

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

2

## Prevent child sexual abuse

### We'll know we're making progress if:

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

3

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

### We'll know we're making progress if:

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

4

## Help abused children get back on track

### We'll know we're making progress if:

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

5

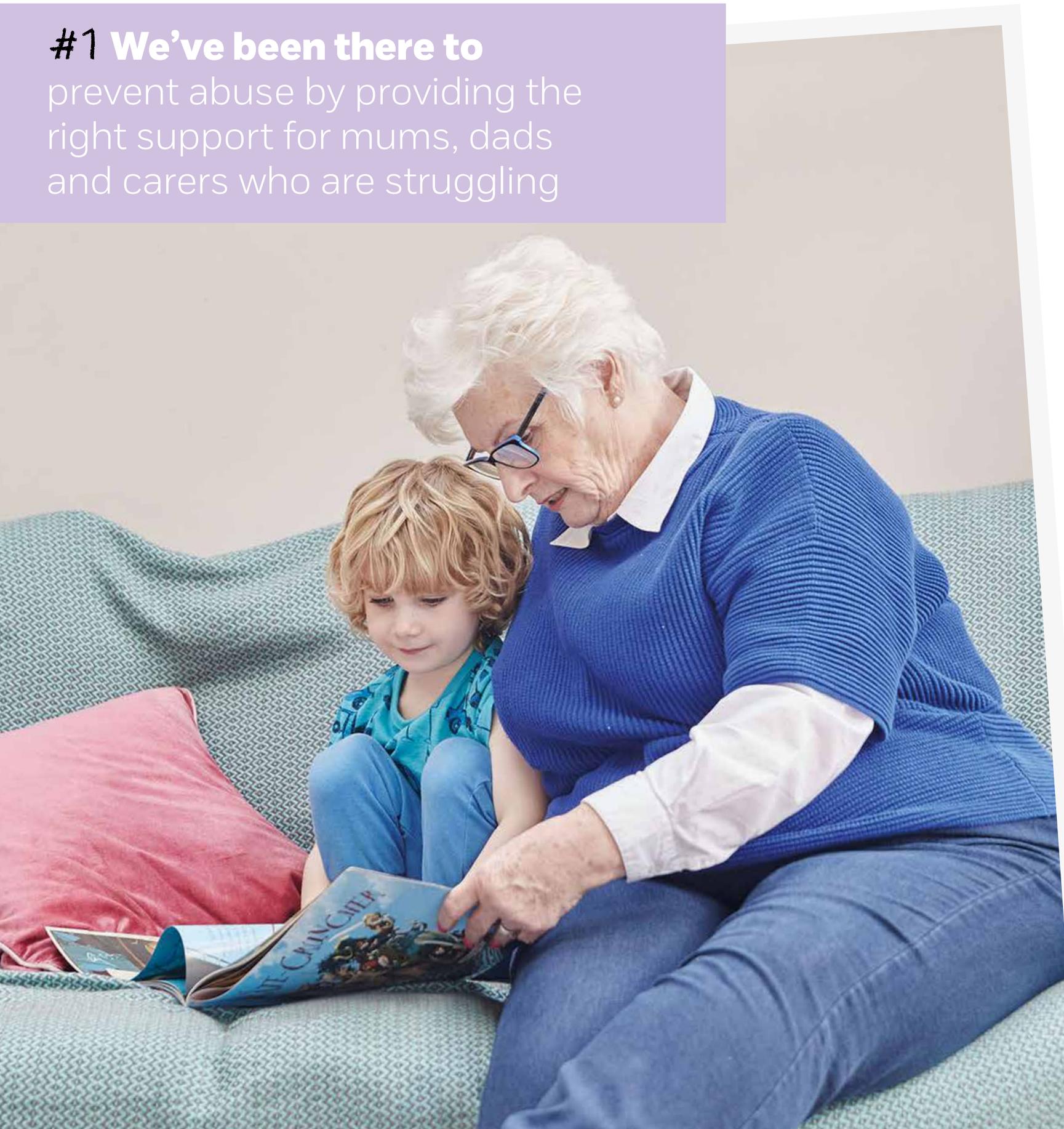
## Make children safe from abuse online

### We'll know we're making progress if:

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



**#1 We've been there to** prevent abuse by providing the right support for mums, dads and carers who are struggling



**Neglect is still the most common form of abuse in the UK, and our evidence shows it is taking both a human and economic toll.**

We support parents and families in caring for their children, we provide therapeutic services to help children move on from abuse and we help professionals make the best decisions for children, across the UK and Channel Islands.

Our services continue to attract accolades. Baby Steps, our antenatal programme which helps prepare parents for their role, received the Children and Young People Now Early Years award for its impact in Jersey. The programme was introduced to the island in 2013, providing much needed support to disadvantaged and vulnerable families. The flexible nature of the programme helped engage more fathers than any service on the island. Evaluation of the service has also been very positive: it's helped parents improve the quality of their relationship with their babies, with less likelihood of developing postnatal depression. There have also been lower rates of premature birth and caesarean sections.

Evaluation of the Graded Care Profile, a tool for practitioners to evaluate family strengths and weaknesses which can help identify neglect, has led to a new version, Graded Care Profile 2. Practitioners have rated the usefulness of the tool highly, scoring 4 or 5 out of 5 in over two thirds of cases. We put a call out for local authorities to work with us to trial the new version and had over 65 expressions of interest. Thirteen local authorities were trained to use it this year, including our first three in Scotland, for which we developed new materials and resources and a 'training for trainers' programme to help other areas take up Graded Care Profile 2 and improve the identification of risks and potential harm to children.

Blackpool Better Start, our innovative ten-year project working in partnership with local families, communities, and agencies from across public, private and voluntary sectors, continues to develop a bespoke early intervention programme for the community. November saw a launch conference attended by more than 400 people, including nursery workers, social workers, doctors, midwives, health visitors, teachers and parents. Together with our partners we were awarded £45 million by the Big Lottery Fund for the decade-long project, and our interventions and approach will transform the



Between

**10 and 15%**

of women in Scotland are affected by mental ill-health during pregnancy and after their child's birth.

way services are delivered to children and families. Our ambition through partnership in Blackpool is to demonstrate how to achieve improved outcomes for an entire town's young children, and inspire and inform integrated approaches elsewhere in the UK.

We are piloting the New Orleans Intervention Model in partnership with Glasgow City Council and NHS Greater Glasgow and Clyde, with the support of the Big Lottery Fund. Our Infant and Family team works with the parents and carers of children aged between six months and five years old who are in local authority care as a result of maltreatment. In delivering the service we have uncovered particular challenges with the Scottish Children's Hearings System. These include the impact of delays, increased appeals on permanent decisions about young children's care, and an increased presence of solicitors at hearings. This has informed our policy work and led to discussions with the Scottish government and other statutory partners about our experiences. Having raised concerns with relevant national bodies, a review of the most recent Children's Hearings legislation is now part of the Scottish government's Child Protection Improvement Programme. The New Orleans Intervention Model has also now been established in a second location in London.

Neglect is still the most common form of abuse in the UK, and our evidence shows it is taking both a human and economic toll. Our spotlight report on neglect gave an overview of our research on child neglect, evaluations of assessment tools and services, and new evidence on how we can work together to prevent child neglect. Within the spotlight, our report *Thriving communities: a framework for preventing and intervening early in child neglect*, put forward a range of actions for preventing neglect by using evidence-based services, increasing knowledge of healthy child development in communities and enabling positive relationships between children and practitioners. Although challenging, we believe it's possible to foresee and prevent child neglect, and this work has informed plans in our new strategy to develop prevention centres for families facing adversity.



We were commissioned by the Welsh government to deliver the Welsh Neglect Project, identifying what was required to ensure neglected children received the help they needed. The project has developed resources and recommendations for an evidence-based strategic approach to address child neglect throughout Wales. This includes an all-Wales neglect protocol to guide the work of professionals, adoption of the Graded Care Profile 2 as the primary assessment tool, accompanied by a screening tool and a training programme for multi-agency professionals such as teachers, health visitors and police. The Welsh government announced that this work will be taken forward in 2016/17 by the Improving Outcomes for Children strategic steering group.

Our *Getting it Right for Mothers and Babies* report called on Scotland to give babies the best start in life by providing more specialised support across the nation for mothers. Between 10 and 15 per cent of women in Scotland are affected by mental ill-health during pregnancy and after their child's birth. The report found that, despite having robust clinical guidelines to inform service delivery, their implementation is inconsistent, and 71 per cent of health boards in Scotland don't have any midwives or health visitors with accredited perinatal mental health training. We launched the report with an event in the Scottish Parliament, and have been actively pursuing the issue with the Scottish government.

## ALFIE THE ASTRONAUT



"A CHILD THAT IS FREE FROM ABUSE, IS FREE TO DREAM AGAIN. YOUR DONATION CAN TAKE A CHILD ANYWHERE."

In September 2015 we launched a new TV advert about our work, Alfie the Astronaut. It was our first major brand campaign in six years, with the aim to help more people understand the difference the NSPCC's work makes for children and how they can join our fight for childhood.

We told a story through the eyes of a child called Alfie who – with his mother – suffered domestic and physical abuse and was helped by us. It shows the beauty of a child's imagination and the importance of protecting childhoods. When children aren't being abused and aren't full of fear, anxiety or loneliness, they have the freedom to dream big.

Thanks to a partnership we developed with Channel 4, the advert was premiered during an episode of Educating Cardiff, with an introduction from Musharaf Asghar, known from the previous series Educating Yorkshire. It then went on to be shown during advert breaks of a number of popular and prime time shows, as well as being released online.

Investment in telling the story of who we are and inspiring people to be a part of our work is crucial in developing the general public's awareness of what we do, the prevalence of child abuse and our shared responsibility to take action to stop it. Over time it will encourage all types of support, and encourage long-term loyalty, trust and understanding of what we do.

In our evaluation of the campaign we saw notable increases in the public's perception on how we make a difference through our services, and how we help children to have happier and safer childhoods through advice and support. And there was a knock-on effect in other ways, as for those aware of the campaign the likelihood to donate to us went up from 27 per cent to 45 per cent, and we saw a rise in the number of people who would consider supporting our campaigns, raising more on our behalf, and sponsoring someone's participation in an event or activity. This is, of course, critically important for services which depend overwhelmingly on voluntary donations.

We also received critical acclaim from industry and media, with one national outlet describing the campaign as "beautifully imaginative and touching".

## Domestic abuse spotlight

Our Domestic Abuse, Recovering Together (DART) service supports mums and children after domestic abuse, and formed the basis of the story behind our Alfie the Astronaut campaign.

One in five children have been exposed to domestic abuse, and mums who have lived with an abusive partner can lose sight of their children's physical and emotional needs. Children can find it hard to talk to their mums about what has happened and may start acting out the abusive, threatening or controlling behaviour they've witnessed. Over ten weeks, mums and children aged 7-14 attend DART sessions together and individually to learn about how domestic abuse happens, strategies that can be used as a parent, and how children can keep themselves safe.

Our spotlight on domestic abuse in March included an evaluation of DART, showing that a majority of children experienced fewer emotional and behavioural difficulties after using the service, significantly greater than for a comparison group involved in an alternative service. Mums told us they had more confidence in their parenting abilities and greater self-esteem, and children said mums were more affectionate to them. We're now offering training so that other providers can make this evidence-based service available to more mums and children, and provide further evaluation on implementing the service, extending the benefit of the service far beyond our own delivery.



# 1 in 5

children have been exposed to domestic abuse.

## SIR STANLEY THOMAS



Sir Stanley Thomas OBE OStJ has led the NSPCC's appeals in Wales for the last 10 years and raised over £10 million to help protect children in Wales. Sir Stanley joined us as chair for the Full Stop appeal in Wales in 2006, fundraising through countless dinners, challenges and events. Following this he chaired the appeal to raise funds to create Diane Engelhardt House, our base in Cardiff running services such as Letting the Future In, Protect and Respect, and Thriving Families. Now officially retiring as chair, Sir Stanley has handed over to businessman and fundraiser Alan Peterson.



## #2 We've been there to provide new and effective approaches to prevent child sexual abuse



Over the last few years, thousands of parents have 'talked PANTS' with their children to teach them that their body belongs to them.

Child sexual abuse is preventable, and this year we called for a collaborative, coordinated and determined national response to what we believe is a public health problem through our report *Preventing child sexual abuse: towards a national strategy*.

Our third *How safe are our children?* report was published in June 2015, on the first day of our annual How safe? conference. The report, the most comprehensive overview of child protection in the UK, updated 20 indicators of child abuse and neglect with the latest available data and further developed the early intervention and prevention narrative. We received significant media coverage for our headline statistics on increased reporting to the police of child sexual abuse. For the conference, attended by hundreds of leading professionals and practitioners in the child protection and social care fields, we were delighted to welcome the minister for children and families, Edward Timpson, and the former minister for preventing abuse, exploitation and crime, Karen Bradley, to speak. We also heard from actress and supporter Samantha Morton, and Louise Casey, head of the government's Troubled Families programme. The conference was widely considered to have built on previous years' success with high quality speakers and debate. The report is now firmly established as the 'go to' source of data for child protection statistics in all four nations of the UK.

### Recovering from sexual abuse

Letting the Future In is a service we've developed to help the recovery of children and young people who've been sexually abused. It helps children to understand and move on from their past experiences through activities such as play, drawing and painting, and storytelling. Parents and carers are also offered support to move on from the impact of finding out about the sexual abuse and to help their children feel safe. In collaboration with the Universities of Bristol and Durham we evaluated the service to see if a psychodynamic, attachment-based therapeutic approach helps sexually abused children and young people. This study is the largest multi-site randomised control trial in the world for a sexual abuse intervention. The findings demonstrate that Letting the Future In

reduced the proportion of children and young people aged eight and over who were experiencing high levels of traumatic symptoms over a six month period. Children who completed the programme and their carers talked about having better confidence, less guilt and self-blame, reduced depression, anxiety and anger, and a better understanding of appropriate sexual behaviour.

## LETTING THE FUTURE IN



**"MY MESSAGE TO ANYONE WHO HAS EXPERIENCED SOMETHING SIMILAR IS NEVER GIVE UP, BECAUSE LIFE CAN GET BETTER. MINE HAS."**

Jamie\* experienced two sexual assaults by three of his peers while he was at school. After telling someone what had happened, he didn't want to go back to school, and 'totally shut down'. By the time he was referred to the NSPCC, he said it seemed hard to believe anything would get better, and he found it difficult to talk: "but Sue\* from the NSPCC was really patient with me and over time I found the more I opened up and spoke about my feelings, the better it felt. She said it was fine to express my feelings in whatever way felt OK and

that writing things down could help, and it really did. I found this a good way to explain how I felt when I couldn't say the words. My message to anyone who has experienced something similar is never give up, because life can get better. Mine has." Jamie's mum joined him for some sessions, and had individual sessions with Sue which helped her understand the way Jamie was feeling. Letting the Future In helped Jamie regain confidence and happiness, go back to school and plan for the future.

\* names have been changed to protect identity

We're working on the ground to tackle child sexual abuse. For example, our service centre in Carlisle is recognised within Cumbria as the 'go to' place for children and young people who have been sexually abused, are at risk of child sexual exploitation (CSE) or have presented sexually harmful behaviours. We have been able to successfully influence and challenge partners involved in CSE cases, helping to inform and improve future practice. We took a lead with Police and Children's Services to create and deliver training on CSE to a significant number of practitioners in the Cumbria multi-agency network. Feedback from the CSE training has been extremely positive, and it is now being rolled out to a much wider group of professionals in Cumbria.

Sexting has emerged as a prevalent issue for children and young people with challenges in how to deal with it. In January 2016 we jointly hosted a sexting roundtable discussion with Barnardo's, chaired by Sarah Champion MP. We engaged key stakeholders, such as police, teachers, academics and social services professionals, to explore what more can be done to ensure that a coordinated and seamless support structure is in place for children and young people whose naked images have been shared publicly; with a particular focus on the role of schools and the police. The police announced at the event that they would introduce a new crime recording code to help counter the criminalisation of young people on this issue. We also helped to develop guidance for their staff on how to respond to sexting cases.

## SEXTING

James\*, 17, from Northern Ireland told us that sexting is an everyday part of teenage life now, but said there are 'definitely risks involved': "Someone saw a video message I had sent to a previous girlfriend, took a screen shot and posted it online. I was completely devastated and, to be honest, almost suicidal. I got the picture taken down eventually, but by that stage people had 'unfriended' me and the damage was done."

**"I WAS COMPLETELY DEVASTATED AND, TO BE HONEST, ALMOST SUICIDAL."**

\* names have been changed to protect identity



**We were selected by financial services corporation Morgan Stanley as one of five charities for a select group of their high achieving staff to work with, to help us scope the scale-up and replication of our Letting the Future In service in north London, extending its impact beyond the NSPCC.**

## Collaboration in York

We've been working with the City of York Safeguarding Children Board to deliver a campaign raising awareness and understanding about child sexual abuse and exploitation, "It's not OK". Together with partner agencies we've generated a shared vision for York, bringing together and creating resources needed – such as a short play and workshop created with York St John University drama lecturers. Open to all year seven pupils, the 20-minute play follows four teenagers through their experiences of the internet, relationships, gaming and family life. The play is then followed by a drama workshop, when pupils get to explore the issues raised by the play, give the characters 'advice', and find strategies in order to seek out support against sexual abuse or exploitation.

## The Guardian Social Care Network partnership

This year we worked in partnership with The Guardian Social Care Network to create an online practice hub for resources and insights from our work. We used it to promote our spotlights on different issues over the year, and provide advice to practitioners based on what we've learnt in our services and evaluations. Thousands of professionals accessed our articles, and we're now using what we've learnt from this partnership to develop our impact and evidence hub on our website.

**The Masterpiece Gala was a triumph and a fitting climax to Tarek Khat's great leadership of the Rebuilding Childhoods Appeal board. It raised £1.2 million for our post sexual abuse therapeutic services. Events like this, which happen up and down the country throughout the year, whether big or small, wouldn't be possible without the hard work of thousands of volunteers.**

## PANTS resources for schools and teachers

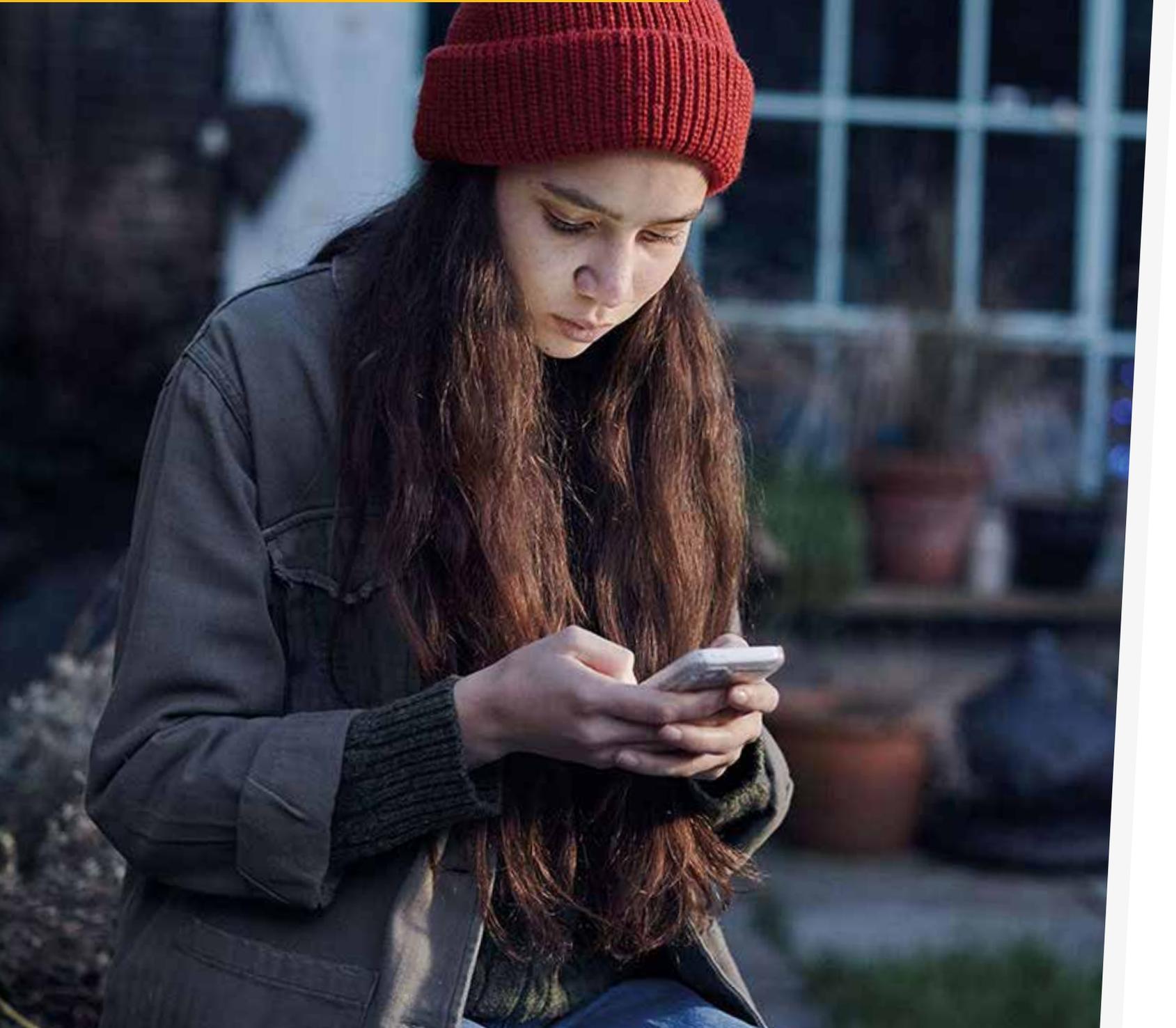
Our award-winning Underwear Rule campaign is a simple way that parents can help keep children safe from sexual abuse, without using scary words or even mentioning sex. Over the last few years, thousands of parents have 'talked PANTS' with their children to teach them that their body belongs to them.

We've produced Underwear Rule materials for parents, carers and children in multiple languages, as well as for people with autism or learning disabilities. We also made a film for deaf children and parents which was praised by associations for deaf people. This year our PANTS teaching resources, including guidance, a lesson plan, presentation and classroom activities, were awarded the Quality Assurance Mark by the Personal, Social, Health and Economic (PSHE) Association.



### #3 We've been there to

give more children and adults a voice so they can speak out about abuse



# 90%

of all children contacting Childline have said that they were more able to cope with their concerns having contacted the service.

Demand to the NSPCC helpline remains high, with the many stories in the media about both recent and non-recent abuse over the past few years ensuring that these issues are firmly in the public's mind. Our helpline and contact centre received 106,715 enquiries from professionals, parents and members of the public this year. Of these, 51 per cent (54,865) related to child welfare and resulted in 39,249 referrals to external agencies. The remaining 49 per cent of enquiries were about the services and support we provide, including publication sales, enquiries about information on our website, training and consultancy, and e-learning. The referrals, as well as the support and advice we provided to people contacting us, benefitted an estimated 83,500 children.

We've also delivered a wide range of commissioned helplines in response to police investigations and other major issues. These have included a dedicated helpline to support the establishment of the Independent Inquiry into Child Sexual Abuse, and a new Whistleblowing Advice Line in conjunction with the Home Office. Our specialist helplines have handled more than 2,700 contacts this year. We have also partnered with O2 on a new helpline for advice about online safety. Members of the public can contact the helpline for advice and technical support, to help protect children when using mobile devices.

**Contact the Whistleblowing Advice Line**  
Call **0800 028 0285** or email **help@nspcc.org.uk**

This year, even in the absence of targeted marketing for Childline, demand for the service has grown. Hundreds of thousands of children find the courage to speak to us each year, contacting Childline through our telephone and online services. Significant work has taken place this year to respond to changing patterns of demand, by improving technology and reallocating our resources. More than two thirds of our counselling sessions now take place online, and increasingly later at night. The improvements have resulted in an increased capacity so that there were over 300,000 counselling sessions, nearly 15,000 more than last year from a

similar budget. But what really makes it possible for us to have contact with so many children and young people is an army of volunteers across our Childline bases, giving their time to make sure Childline is there 24/7.

There has been a considerable increase in the serious nature of the issues children and young people are contacting us about, with the number of high risk counselling sessions increasing from 49 per cent to 55 per cent of all children and young people counselled. The top three concerns children are contacting us about are low self-esteem/unhappiness, family relationships and bullying – including online (or cyberbullying). We have seen an increase in the number of counselling sessions where children have talked about suicidal feelings, from 17,782 in 2014/15, to 19,481 this year. There were also 18,471 counselling sessions about self-harm.

We've reached 765,958 children between the ages of 5 and 11 with the NSPCC Schools Service, through our assemblies and workshops delivered to 8,416 schools. The year has seen a significant change in the service, by bringing together our existing Childline Schools Service and fundraising work in schools, to better integrate the help we give children and available support we can offer to parents, carers and school staff. In giving their time, the generosity of over 1,100 schools service volunteers, some of whom are former teachers and social workers, enables us to reach so many children with crucial messages that can help keep them safe.

(Below) Former Prime Minister David Cameron joins our chief executive Peter Wanless at a Schools Service assembly in his constituency of Witney. Mr Cameron said:

"IT WAS VERY ENCOURAGING TO SPEAK WITH THE PUPILS TODAY ABOUT WHAT THEY HAVE LEARNED FROM THE NSPCC SPEAK OUT STAY SAFE ASSEMBLY. BUILDING CHILDREN'S UNDERSTANDING OF ABUSE AND NEGLECT WILL EMPOWER THEM TO STAY SAFE."



**NSPCC Schools Service Investment Management Fundraising Initiative**  
**This initiative, led by our supporter Jonathan Sorrell, has seen a number of donors and influencers donate or pledge over £1 million for our Schools Service over the next couple of years. We're grateful to Jonathan for using his influence and connections to bring together this support and help our Schools Service continue to reach thousands of children every year.**

**Speak out. Stay safe. rebrand**

Speak out. Stay safe. is the new name for the Childline Schools Service, our programme using specially trained volunteers to talk to primary school children about abuse, and is now a key part of the NSPCC Schools Service. We want a generation of children to have the knowledge, resilience and understanding they need to stay safe from abuse and neglect, and we're aiming to reach every primary school in the UK every other year.

The programme's new look and feel includes a make-over for the service's mascot, Buddy. We completed extensive research with 500 children, teachers and parents to make sure the new materials work well for both key stage 1 and key stage 2 children. The research told us that we need to use Buddy differently when talking to older children, which we're achieving by using different creative and tone of voice, with Buddy as a background character for this group. Our pilot of the new presentations received overwhelmingly positive feedback from children and teachers.

As a result of all Childline contacts counselled

**4,005**

referrals were made to external agencies, such as the police or children's services, on behalf of 3,609 children and young people.



DAVID TAIT  
K2 CLIMB



David Tait MBE, a child abuse survivor, long-time supporter and former trustee of the NSPCC, is no stranger to a challenge. In fact, he's climbed Mount Everest five times, raising almost £1 million to support our work.

This year he took on his most dangerous expedition to date, with an attempt to summit K2, known as "The Savage Mountain". K2 is the world's second tallest mountain after Everest, but is regarded as the most deadly, claiming a life for every four who reach the top. It is renowned for its volatile and severe weather and deadly climbing conditions. David and his team set off in June and after an arduous six-week expedition, they were forced back by a combination of extreme weather and brutal avalanches.

One person on David's team suffered horrendous injuries from a falling boulder, with his arm broken in multiple places and severely dislocated. The expedition had to be stopped, as their lives were at risk.

**DESPITE BEING PREVENTED FROM COMPLETING HIS BIGGEST CHALLENGE YET, DAVID WAS ABLE TO SEE THE DANGEROUS EXPEDITION AS A SUCCESS, HAVING RAISED ALMOST £255,000 TOWARDS OUR SCHOOLS SERVICE.**

### John Cameron honours

Our head of helplines John Cameron was awarded an OBE by the Queen for services to child protection, in the New Year honours. John joined as a service manager for the NSPCC helpline in 1996, having worked extensively in child protection, and became head of the helpline in 2003.

**"THIS AWARD IS A GREAT HONOUR AND FOR ME REFLECTS THE COMBINED EFFORTS OF STAFF WHO HAVE WORKED SO HARD TO DEVELOP THE VITAL SERVICES WE OFFER"**

### Credit Suisse

In January Credit Suisse staff chose us to be their UK Charity of the Year for 2016. The funds raised by staff through our partnership will support our *Speak out. Stay safe.* schools programme, and thousands of children will learn how to keep themselves safe from abuse thanks to Credit Suisse.

### Wayne Rooney partnership

Wayne Rooney is our first ambassador for childhood. Wayne has been helping to lead our fight for every childhood, supporting our campaigns and the services we run across the country. He'll also be joining us in celebrating Childline's 30th anniversary through 2016. As a husband and dad of three, he has a strong belief and passion about the work we do with families.

**"I BELIEVE EVERY CHILD SHOULD BE HAPPY, SAFE AND FREE TO DREAM."**

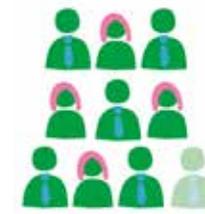
**A key partner of our Schools Service, the People's Postcode Lottery have been supporting the NSPCC since 2014 and since then have given over £155,000.**

**Their gifts have helped us to reach children in London, Devon, Cornwall, Birmingham and Kent.**





**#4 We've been there to**  
make sure the right help  
is available at the right time  
for children who need it



**9 in 10**

professionals say services  
for abused children in their  
area are inadequate.

In January we launched It's Time, a new campaign striving to make sure every child who has been abused gets the help they need to rebuild their life. Last year 98 per cent of professionals we surveyed told us there was not enough support available for children who've suffered abuse. We know that abuse can derail a child's development, and over 90 per cent of children who are abused at an early age will go on to develop a mental illness by the time they're 18. We want children who are abused to have access to the help they need to get back on track. The campaign is hugely ambitious and will last a number of years, and to succeed we'll need to work with hundreds of decision makers at local and national levels. We're confident we can achieve our aim through harnessing the power of our supporters by campaigning, engaging with politicians and highlighting the need for action in the media. We held a House of Commons reception for It's Time in February, attended by over 40 parliamentarians and a range of key stakeholders. The minister for care and support Alistair Burt and the former minister for preventing abuse, exploitation and crime Karen Bradley both gave speeches in support of the campaign, along with our chief executive Peter Wanless, and Patrick from our young people's campaign advisory group, Force for Change.

Through events and engagement we've been drawing a particular focus on the mental health needs of children in care. On Invaders' Day in October, where we invite young people to visit our offices and take part in our work, two of our young people attended a joint All-Party Parliamentary Group event on children's mental health with Alistair Burt MP and raised the question of mental health assessments for children in care. Following this, Peter Wanless chaired a roundtable with Edward Timpson, minister for children and families, and several of our young people, to discuss the issue of mental health support for children in care.

We also submitted evidence to the Education Select Committee's inquiry into the mental health and wellbeing of children in care. In November, some of our young people gave oral evidence in a closed session. In December, our former director of Strategy, Policy and Evidence Lisa Harker gave evidence to the Education Select



Committee, raising key issues from It's Time such as the need for immediate mental health assessments for children when entering care.

Prior to the second reading of the Education and Adoption Bill in the House of Lords we sent briefings to 30 peers and prepared a speaking note for Baroness Benjamin. As a result, we received multiple mentions in relation to the mental health needs of looked-after children.

In Northern Ireland we continue to play an integral role in all safeguarding and public protection arrangements. We've helped develop a new training and development strategy with the Safeguarding Board for Northern Ireland, to ensure that safeguarding training is delivered effectively and consistently by all of its member agencies. Also, we've successfully campaigned for the development of policy and care pathways for survivors of FGM, and as a direct response the Safeguarding Board has established a multi-agency network on FGM in Northern Ireland, which we co-chair.

Across England we delivered 280 commissioned training events to 145 different organisations this year. In many cases the organisations we work with commission multiple events, or come back for further training, showing that our courses are well regarded by professionals. Our most popular programmes include Designated Safeguarding training, and Introduction to Child Protection. We also create bespoke courses tailored to the needs of the organisations. Of our training delivered this year, health and education accounts for just over half.

In addition to this, 58 national training programme courses were delivered to nearly 800 delegates from over 400 organisations, of which the education sector was most prominent with 193 organisations attending an event.

The Child Protection in Sport Unit (CPSU) has continued to provide services to 194 sports organisations across England, Wales and Northern Ireland through our funding by Sport England, Sport

**Representatives from our young people's campaign advisory group, chief executive Peter Wanless, and Members of Parliament, at the launch of It's Time in the House of Commons.**



Wales and Sport Northern Ireland. Following completion of the standards for safeguarding and protecting children in sport, many of these organisations are now working on the new *Framework for maintaining and embedding safeguarding for children in and through sport*. This builds on the original national safeguarding standards by supporting organisations to evaluate the impact of safeguards, and further develop these to meet the challenges of new legislation and developing technology.

CPSU and Sportscoach UK have celebrated 20 years of working in partnership. This work has ensured over 420,000 coaches and others working in sport have attended the 'Safeguarding and Protecting Children workshop' with income received now topping £1 million. As a result of CPSU and Sportscoach UK's partnership with NEST management, a company that provides a range of systems, services and tools for professional martial arts schools, a bespoke safeguarding children workshop has been developed and will be offered to all martial arts bodies.

Nearly 30,000 licenses were sold in 2015/16 across six of our e-learning products. Safer Recruitment in Education was our most popular resource, with 13,000 licenses bought. This product was launched in January 2015 and provides online safeguarding training to help recruit staff or volunteers in schools, academies and colleges, developed in line with the Department for Education's *Keeping children safe in education* guidance. New products under development include a generic safer recruitment resource, and a product on participation with children and young people.

Our Knowledge and Information service produces a wide range of information resources to support professionals. An example of this is thematic briefings on the learning from case reviews, which can be related to specific areas, such as health and practice and the issue of returning children home from care.

The number of individuals and organisations subscribing to CASPAR, our weekly current awareness email alert, reached 26,000 this year and feedback from a recent survey was overwhelmingly positive

about the service, with 70 per cent telling us they read the update every week and find it very useful in keeping up-to-date with current developments in child protection.

The Department for Education awarded us £1.1 million to develop and test mechanisms for improving the quality of serious case reviews (SCRs), and their use in influencing improvements to local and national practice, in partnership with Social Care Institute of Excellence (SCIE). A serious case review takes place after a child dies or is seriously injured, and should look at lessons to prevent similar incidents from happening in the future. We developed a set of 18 quality markers to enable the effective and consistent quality assurance of serious case reviews, along with a series of masterclasses to improve the skills of lead reviewers covering four key areas: systems thinking, group work, legal approaches, and qualitative research. The project team also developed a mechanism for collating and producing accessible information on practice issues identified in SCRs and established an alliance of national strategic and leadership bodies to consider and implement improvement work, from a national perspective. The project completed in March, culminating with a very successful conference of over 100 delegates. A series of recommendations have been made by the project group along with how they could be achieved and resources including the quality markers and masterclass resource packs are now available on the NSPCC and SCIE websites.

October saw our annual Childline Ball, this year hosted by TV favourites Ant and Dec. The glittering event was themed around their hit ITV show Saturday Night Takeaway at London's Old Billingsgate. The fun-filled event, sponsored by Suzuki, saw donations and pledged sponsorship of over **£880,000** for Childline – a new record.



### Final evaluation of Face to Face

Our Face to Face service seeks to support children and young people between 5 to 18 years who are in care or on the edge of care. It aims to identify and find solutions to issues that are affecting their life, impacting on their emotional wellbeing or placing them at risk. We released our evaluation of Face to Face as part of our spotlight on emotional wellbeing this year. The findings indicate the service is a promising approach to helping children and young people make reliable improvements to their emotional wellbeing, with 73 per cent saying it had helped them to solve the immediate concern affecting this, and 84 per cent showing sustained improvement in wellbeing three months after their final Face to Face session. To help others benefit from the service, we've created a toolkit of resources for practitioners who want to use a solution-focused approach to improve outcomes for children and young people, and an implementation guide for those who are interested in setting up a service like Face to Face.

### Childline YouTube channel self help films

In November we posted the first of new on-going weekly self-help films on the Childline YouTube channel. These cover a host of issues affecting children and young people including emotional issues over Christmas and New Year, mental health and sexuality, and feature well-known YouTube vloggers and personalities. The films receive regular positive feedback and comments, including from young people thanking us for tackling relevant issues and providing helpful advice.



## #5 We've been there to help keep children safe from abuse online



A third of children have been a victim of cyberbullying and 1 in 4 has experienced something upsetting on a social networking site.

Our Share Aware campaign has received numerous accolades and industry awards. The response to the materials, with promotion seen from agencies across the world, led to us developing teaching resources for schools. The Personal, Social, Health and Economic (PSHE) Association subsequently awarded our Share Aware teaching resources the PSHE Quality Assurance Mark, an endorsement which is awarded on a very selective basis, and the resource was promoted to a network of 10,000 PSHE teachers. The resources have now been distributed to over 37,000 teachers.

Net Aware, our tool for parents and children to get safety information about social networking sites and games, has received very positive feedback from schools, police and parents. It also received endorsement from the social network Facebook. We have continued to add social networking sites to the tool, following consultations with hundreds of children and parents about their views on the social networking sites, games and apps they use most often.

We've engaged with industry to ensure that young people are better safeguarded online. We want the UK to be the hardest possible place to access child abuse images online, and welcomed progress made by the Internet Watch Foundation to uncover and remove millions of images. But we've also seen rising numbers of those accessing child abuse images, and know there is much more to do.

Developing partnerships with governments and industry is crucial to knowing what we can do to keep children safe online, and who can help us have the impact we want and achieve our goal. The contribution of our fundraising volunteers, who represent the NSPCC in their communities and raise money to fund our services, is also key to success in this area. We have nearly 180 branch and over 700 district committees who raise funds around the UK every week of the year, hosting thousands of events that raise millions of pounds. We are hugely grateful to our volunteers who act as ambassadors for children in their communities, and we are inspired by their dedication. We will need to meet the challenge of keeping our services relevant and accessible in a digital age, and the generosity of our fundraisers supports making this possible.

# O2 PARTNERSHIP

In August 2015 we joined forces with O2 in a major three-year partnership to help keep kids safe online.

To children, online friends are real friends. Online life is real life. There's no distinction. But sadly we know that children up and down the country are struggling because of difficult experiences online. Thousands of young people contact us about issues such as online grooming, cyberbullying and after viewing sites which encourage eating disorders, self-harm and suicide.

Most parents and family members are great at keeping their kids safe in everyday life, from being careful when crossing the road to not talking to strangers. But they are less confident managing the risks to their kids in the online world: a third of children have been a victim of cyberbullying and 1 in 4 has experienced something upsetting on a social networking site.

A YouGov survey of more than 2,000 parents of children aged 8 to 13 revealed that, although 91 per cent of eight year olds use the internet at least once a week, on average parents think that children should be at least nine before their parents tackle issues of online safety with them. The research also highlighted that on average, parents thought it was right to talk to kids about everyday 'real world' issues such as stranger danger and bullying from age seven. We believe this needs to change. Kids need their parents to be just as involved in their online life as in their real life to keep them safe.

## O2 and NSPCC Online Safety Helpline

Liz\* from London contacted the O2 and NSPCC Online Safety Helpline to learn more about keeping her daughter Mary\* safe online, after naked pictures were circulated around the school:

"I SPOKE TO THE HELPLINE TO GET SOME ADVICE AS I WANTED TO LEARN HOW TO KEEP HER SAFER ONLINE. THEY TALKED TO ME ABOUT WHAT HAPPENED AND SENT ME INFORMATION ON HOW TO PUT PARENTAL RESTRICTIONS ON HER PHONE AND ON OUR INTERNET AT HOME. I FEEL HAPPY THAT SHE IS SAFER ONLINE NOW."

Our goal is to get every family in the UK to chat about, and understand, their kids' online world, just as they would about their day at school. That's why our partnership with O2 is so important; together we can help grown-ups to explore and understand the internet, as kids know it. We're doing this with:

- the O2 and NSPCC Online Safety Helpline, run by O2 advisors trained by us. They will deal with any technical and practical online safety issues such as privacy settings or parental controls
- parent workshops held in schools, workplaces and communities
- clear advice on our and O2's websites, and online safety materials for parents distributed to schools
- personal child online safety advice from O2 staff, trained by us, available in all O2 stores. With 478 stores and over 8,000 staff, there will be someone on every high street who will be able to have a helpful and supportive conversation with parents about their child's safety online.

Importantly for the hundreds of thousands of children that contact Childline every year, O2 will also zero-rate Childline online, making it free for children and young people to get the help and support they need – even if they don't have credit on their mobile phones. And, what's more is that it gives us an incredible opportunity to raise more money to keep children safe from abuse.



**"GROWING UP HAS NEVER BEEN EASY BUT TODAY THE VIRTUAL WORLD PRESENTS A WHOLE NEW SET OF RISKS WHICH ARE ALL TOO UNFAMILIAR TO PARENTS."**

## Baroness Joanna Shields

Baroness Joanna Shields, minister for internet safety and security, on our partnership with O2: "Growing up has never been easy but today the virtual world presents a whole new set of risks which are all too unfamiliar to parents. The challenge of keeping children safe online requires the full support and cooperation of parents, industry, charities and the government. We welcome the NSPCC and O2 partnership which brings together experts on the technology our children use with those who understand the way they use it."

What we've achieved together so far:

- Over 4,000 O2 staff completed a new online safety e-learning module.
- We trained thirty O2 staff and set up the O2 and NSPCC Online Safety Helpline.
- Our co-branded Share Aware guide was distributed to over 15,000 people in just three weeks.
- Launching a Net Aware app for our advice and information tool on social networks and games.
- We produced a Minecraft parents guide and supporting video.
- O2 zero-rated our Childline website so it is free for all children to access from a device, even when they don't have credit on their phone.
- We engaged police forces in the UK, who have now begun signposting to our resources and the helpline.
- We delivered training to over 100 O2 staff to co-deliver parent workshops.
- Over 100 online safety workshops delivered across Birmingham, Leeds, London and Northern Ireland, reaching over 1,350 parents.
- National media coverage of the launch of our partnership.
- Nearly 10 million O2 customers have received emails and SMS messages with online safety messages.
- Sharing our Letter from Santa appeal with over 850,000 O2 customers.

And more to come:

- O2 and NSPCC online safety workshops to be delivered to parents across the UK.
- A new online safety booklet for distribution to hundreds of thousands of people throughout the year.
- Working closely with O2 to maximise opportunities through customer offerings, potential products and activity during national campaigns.

**Find out more at [nspcc.org.uk/O2](http://nspcc.org.uk/O2)**

\* names have been changed to protect identity

## Looking back



In last year's report we set out five particular challenges for our work during 2015/16, alongside a general aim to deepen our impact and build the foundations for a movement in support of our cause. We said:

**We want to be more confident that when children speak up about abuse or neglect, they get the support they need.** We've identified a serious lack of provision for children who have experienced abuse, and we launched the first stage of It's Time as a long-running campaign for change. We're a long way from this in society, and we will have to work with others to achieve our aims.

**Our helplines must be available and accessible in whatever ways people choose to contact us, without compromising the quality of service.** Our on-going Doing More for Children programme of work has been transforming the way we deliver Childline as both a telephone and online service, and has already made significant steps forward in our ability to answer contacts. There is more to do if we want to be able to answer every contact, and be able to meet higher demand if marketing of the service is increased, a challenge we will continue to seek to overcome with this work.

**Knowledge from what we deliver through our service centre programmes must extend well beyond those sites.** Our spotlights, showcasing work in key areas, have presented comprehensive packages of information for professionals and practitioners to use in their work. We are already seeing how our services can be delivered beyond

our own capacity, such as through training other providers to deliver Domestic Abuse, Recovering Together (DART), our service supporting mums after domestic abuse. There are further steps we need to take to be able to get more services delivered outside of our direct reach, which may mean prioritising where we can have the most impact.

**We should offer a more joined up range of opportunities to primary and secondary schools with effective, preventative child protection.** The new NSPCC Schools Service has brought together a number of our existing services and allowed us to review how best to deliver across age groups, and take advantage of each opportunity when we visit a school. After extensive research, we changed creative materials and tone of voice, including for the service's mascot Buddy, to better meet the needs of different age groups.

**Our contribution to enhancing the awareness of child safety online should be distinct in helping make the internet a safer place for children.** Developing our partnership with O2 was a unique opportunity to significantly expand our reach into the public, in particular parents. We've also continued to develop our Share Aware and Net Aware resources to help them reach more people. Online safety will remain an area of focus for us over the next five years, and we've recognised how much work there is to do by making it one of our five new goals. This is a challenging area and we'll need to carefully consider what we can achieve in that time, along with who we need to work with to make that happen.

# Looking ahead

This year our primary focus is implementing our new five-year strategy, to make 5 million children safer. Some of the specific areas under the goals of our new strategy that will be fundamental to successfully doing this over the course of the next year are:

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

Developing a model to deliver direct services working closely in partnership with local stakeholders to deliver systemic changes in a local area to help protect children from abuse and neglect. We have started working more collaboratively across communities, such as in Blackpool as set out earlier in this report. We will build on this work to provide evidence of a model that delivers significant improvements for children.

## **2. Prevent child sexual abuse**

Pioneering a preventative approach to child sexual abuse. We will launch new services in this area that prevent abuse, and build on the work we've started through the Underwear Rule campaign to increase the number of families that know how to talk PANTS.

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

Expanding the service we offer in schools. The new *Speak out. Stay safe.* service will reach many more children, teachers and parents and ensure that children understand what abuse is, and know where to turn for help.

## **4. Help abused children get back on track**

Continuing to campaign for provision for children who have suffered from abuse. It is a scandal that children who have suffered abuse in the past are not able to access services to help them to rebuild their lives. We will continue our It's Time campaign to ensure that all children who have experienced abuse and neglect get the help that they need and deserve.

## **5. Make children safe from abuse online**

Connecting with parents and providing them with the tools they need to keep their children safe online. Our children spend more time in a digital space than ever before, and along with all the wonderful opportunities this brings we must ensure that they are safeguarded at the same time. We will deliver workshops for parents and awareness campaigns to increase understanding and parents' ability to keep their children safe from abuse online.



Over the five years of our strategy we'll use our new goals as a prism for making decisions about what new work we do and what existing work we stop. This means we need to carefully consider what we can afford within the current financial climate, and in how many places we should be delivering targeted services and generating evidence in order to meet our goals.

We have learnt that impact is more likely to be secured where a service centre is resourced sufficiently to develop and take advantage of building, and then making the most of, relationships with our partners, to the benefit of children and families locally and beyond. This has informed the decision taken in August 2016, to reduce the number of locations delivering direct services. At the same time we must, where we can, allocate resources to other urgent priorities, notably in strengthening our ability to transfer knowledge effectively and build our efforts to improve child safety online.

Across all of our work we will focus on learning and evaluating our impact, so that we can provide the evidence of what works to prevent child abuse, protect children and transform society. This means transferring our knowledge to others who can use it, as well as scaling up services identified as priorities with strong evidence bases. As data and insight emerges from our deep understanding of what works, we have to seed this learning into practice well beyond the direct activities we deliver. We have limited resources and we want to ensure that we can provide as much benefit as possible from them, on behalf of our donors who provide 90 per cent of our income.



## Our values, principles and standards

### Our values

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

- **Putting children first** – for more than 130 years we've put children first. We believe in children, we want what's best for them, and we will fight to end cruelty to children.
- **Taking a stand** – we campaign to change laws where necessary, lead public debate and we're on the frontline, supporting those who work with children, and challenging those who should do more to keep them safe. We will speak out when something is wrong and celebrate success with those who help things improve.
- **Making an impact** – our work won't end until we've transformed attitudes and services for children, protected every child and prevented abuse. We're brave in our actions and prepared to be unpopular when necessary and sometimes force society to face uncomfortable truths where things get in the way of achieving our goal.
- **Never settling for second best** – we are constantly learning, developing our work, measuring what's effective and sharing knowledge with others.
- **Working together** – we can't end cruelty to children on our own. Luckily we don't have to. Our passion inspires others, and our desire to listen, to learn and to improve means we continually work with inspirational people, organisations and children.

### Remuneration policy

We aim to be an employer of choice and we have just over 2,000 paid staff operating from 11 regions in the UK. We engage with both staff and volunteers regularly and value their opinions and receive feedback through a variety of events and surveys.

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

The board of trustees has overall responsibility for the NSPCC's pay policy and the salaries of the executive directors. It exercises 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 2016.

## Executive board annual remuneration as at 31 March 2016

Executive board director	Responsibilities	Salary £'000	Benefits £'000	Pension £'000
<b>Chief executive</b> Peter Wanless	Leading the organisation, which has an annual income of over £128 million and employs over 2,000 staff, delivering services across the UK and Channel Islands.	167	3	11
<b>Director of Fundraising</b> Paul Farthing (resigned 30 April 2016)	Manages the directorate responsible for generating the financial resources we need to help end cruelty to children. Responsible for managing the NSPCC's supporters and delivering income from donations, legacies and other trading activities of around £116 million.	133	2	14
<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.	129	5	16
<b>Director of Services for Children and Families</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.	127	-	1
<b>Director of Communications</b> Alison Jeremy	Manages the directorate responsible for all communication initiatives; ensuring that all communication on behalf of the organisation is appropriate, consistent with our brand and key messages, and of a high standard. Also works on behalf of the whole organisation promoting the NSPCC's work, policies, campaigns and publications.	108	4	13
<b>Director of People</b> Siobhan Sheridan	Manages the directorate responsible for recruitment, development, and retention for over 2,000 NSPCC staff and thousands of volunteers across the NSPCC.	108	2	11
<b>Director of National Services</b> Peter Watt	Manages the directorate responsible for providing a range of universal national services that are focused on protecting children and young people and preventing abuse.	107	2	11
<b>Director of Strategy, Policy and Evidence</b> Lisa Harker (resigned 31 March 2016)	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.	97	2	6

All figures shown in the table above are annualised amounts based on the rate of pay at 31 March 2016.

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 2016 we paid increases, based on annual performance ratings, of up to 2 per cent for the highest performers (2015 up to 2 per cent).

We have pay ranges based on seven grades as follows:

Grade	Min £	Mid £	Max £	Max, including market premium £
P1	15,015	16,050	17,085	17,085
P2	15,500	17,950	20,400	20,400
P3	19,000	21,995	24,990	27,489
P4	24,000	27,810	31,620	34,782
P5	29,500	34,130	38,760	42,636
P6	34,000	39,440	44,880	49,368
P7	41,500	47,780	54,060	59,466

Pay ranges exclude any regional or car allowances which may be given.

New recruits are usually paid between the minimum and mid-point of the relevant pay band, depending on their experience and skills. In exceptional circumstances, where it is required, they may be paid at a higher rate, but not more than the pay range maximum. For some roles which are difficult to recruit to, a market premium of up to 10 per cent above the pay ranges may be paid. The reasons for recruiting at market premium rates must be explained in a business case which must be approved by the relevant executive board director and the director of People. We also have 50 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 operate a defined contribution pension scheme, with employer contribution rates ranging from 6 per cent up to a maximum of 12 per cent depending on the employee's contribution rate and length of service. New joiners are eligible to join the pension plan immediately after starting with the NSPCC. An auto-enrolment scheme also operates, in compliance with the Pensions Act 2008. All eligible employees are automatically enrolled following a postponement period of three months, with employer contribution rates set in line with the requirements of the legislation. NSPCC staff based in the Channel Islands have different pension arrangements in compliance with local legislation.

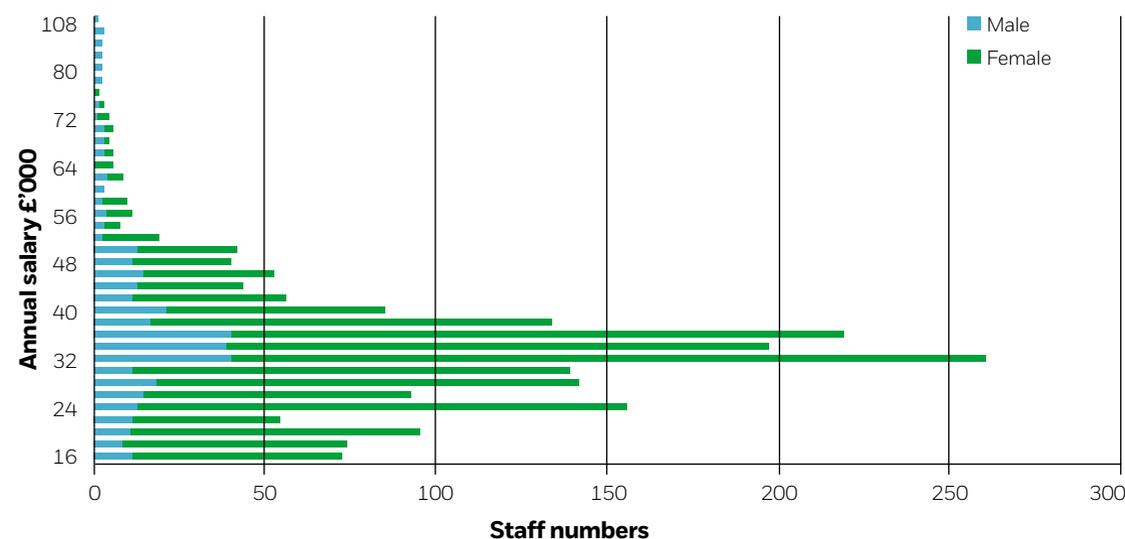
Full members of the pension scheme receive enhanced risk benefits including life assurance and spouse/dependant's pension. Non members, those auto enrolled and NSPCC staff based in the Channel Islands also receive a basic level of life assurance cover.

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

	2016	2015
Highest paid salary (£'000)	167	162
Median (£'000)	32	32
Ratio	5.2	5.0

The spread of annual salary entitlements for all our staff, excluding executive board members is detailed in the graph below.

### Annual salary entitlements (full time equivalent basis) for all NSPCC staff, excluding executive board, employed at 31 March 2016



## 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. Such bookings are paid for directly by the NSPCC.

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 7 of the accounts. Executive board directors' expenses incurred on NSPCC business are disclosed below.

## Executive board directors' expenses incurred on NSPCC business, and reclaimed or paid directly by the charity in the year - for directors in post at 31 March 2016

	Expenses				Total	
	Flights £	Hotels £	Rail £	Other £	2016 £	2015 £
Chief executive - Peter Wanless	70	1,901	1,380	566	3,917	3,361
Director of Services for Children and Families - Sherry Malik (appointed 4 August 2014)	165	584	3,914	301	4,964	3,974
Director of Corporate Services - David Roberts	330	449	1,761	341	2,881	1,686
Director of People - Siobhan Sheridan	68	85	2,153	-	2,306	2,203
Director of Communications - Alison Jeremy	569	587	615	298	2,069	3,296
Director of Strategy, Policy and Evidence - Lisa Harker (resigned 31 March 2016)	565	193	1,158	-	1,916	2,244
Director of National Services - Peter Watt	479	112	1,032	204	1,827	2,671
Director of Fundraising - Paul Farthing (resigned 30 April 2016)	171	331	784	-	1,286	2,937
<b>Total</b>	<b>2,417</b>	<b>4,242</b>	<b>12,797</b>	<b>1,710</b>	<b>21,166</b>	<b>22,372</b>

The director of Childline Services (Peter Liver, resigned 31 December 2015) incurred expenses of £4,814 (2015 £20,576) reflecting the nature of his role. His expenses were comprised of Flights £186; Hotels £1,048; Rail £3,226; and Other £354.

## 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

We are a member of the Fundraising Standards Board which is a new self-regulatory body for fundraising in the UK. Our fundraising promise outlines our commitment to the highest standards of good practice, ensuring that our fundraising activities are legal, honest, open, transparent and accountable.

### The NSPCC fundraising promise

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

\*It's necessary for the NSPCC to allow its carefully vetted suppliers to use supporter data to carry out work on behalf of the NSPCC, such as completing donation transactions and/or communicating with our supporters. We may also sometimes have to share data in other circumstances, for example where there's a legal requirement to do so. You can find our privacy policy on our website [www.nspcc.org.uk](http://www.nspcc.org.uk)

As required by trust law, our income is applied to our charitable activities in accordance with any restriction placed on it by donors or funders. Restricted funds are typically received to support Childline, the NSPCC helpline, and our work with children and families.

# How we're organised and governed

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

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

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

## Our board of trustees

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

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

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

## Board composition

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

Trustees usually serve an initial term of three years. This can be extended once up to a maximum of six years, and in very exceptional circumstances there may be a further extension.

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 7 to the financial statements.

Our trustees are recruited through a variety of means, including open advertising. We place particular emphasis on ensuring that we have the appropriate balance of skills and experience that we need, so will use more targeted recruitment searches where necessary and keep under review the balance of trustees with regard to gender and diversity. There are currently six male trustees and nine female trustees.

We also recruit divisional trustees enabling us to benefit from the involvement and expertise of our valued supporters across the country. There are currently six divisional trustees.

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

Our enhanced trustee induction programme covers three phases. Phase one is a pre-joining experience (receipt of a trustee welcome pack/handbook, communications from the chief executive and chairman); Phase two is a 'day one' and induction session (meetings with key senior staff and overview of the work of directorates and visits arranged to Childline bases/service centres); Phase three is the first six months, during which new trustees attend the Civil Society's 'Understanding Governance and the Trustees Role', and receive a copy of the National Council for Voluntary Organisations' 'Good Trustee Guide'. In addition, trustees attend a session on the fundamentals of safeguarding vulnerable children (and adults).

Trustees are mindful of the priorities arising from an independent governance review, agreed within the context of the ambition to achieve exceptional standards as defined by 12 principles of governance that power exceptional boards. Trustees undertook a survey in May 2015 to enable them to self-assess progress against these 12 principles.

## Board meetings

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

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

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

## Delegation

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

## Committees of the board

# BOARD OF TRUSTEES



### Audit and Risk committee

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

### Divisional trustees

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

### Finance committee

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

### Fundraising committee

Reviews our fundraising strategies and activities against objectives including the quality of supporter experience and ensures compliance with regulation and good practice.

### Nominations and Governance committee

Ensures that we comply with our Royal Charter and bye-laws as well as best practice in governance, and reviews the role and membership of the board of trustees and its committees.

### Policy committee

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

### Remuneration committee

Decides on the appropriate level of remuneration for our chief executive and reviews recommendations for remuneration of the executive board. Further information on executive board and other senior staff remuneration is included earlier in this report.

### Service Delivery committee

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

## National Volunteer Board

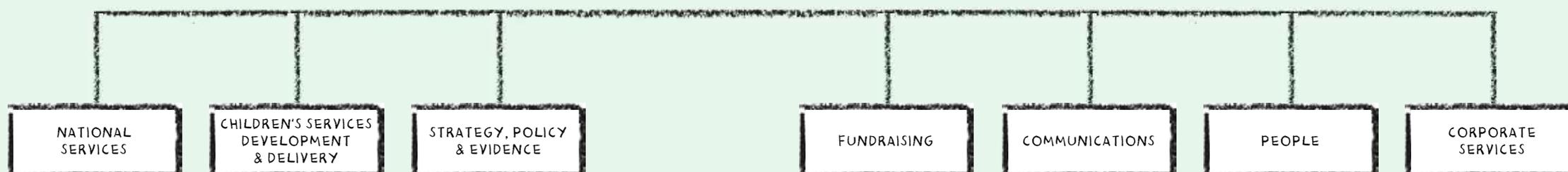
This board acts as a co-ordinating body for our volunteer network across the UK, bringing together our valued volunteers with a passion and commitment to raise funds. It is responsible for the key elements of our volunteer fundraising, including a number of significant events.

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.

## NSPCC directorates

Our activities are organised under the following directorates:

# CHIEF EXECUTIVE



## Principal risks and uncertainties

### Risk environment

The NSPCC works in a high risk environment. Most of the children we work with closely are at some level of risk. What's more, to target our resources effectively, we choose to focus our more intensive face-to-face work in parts of the UK where need is greatest. 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. Reliance, however, upon voluntary donations in a competitive and highly regulated environment heightens levels of uncertainty. A reduction in financial support could hinder our ability to deliver.

### Measuring, monitoring and reporting risk

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

A target score is given to each risk. This target score is the level of risk acceptable to the board of trustees. Each risk will meet its target once all the right controls are in place.

Key to the effectiveness of the NSPCC's risk management system are 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.

In 2014 an internal audit was undertaken, which confirmed that our system for managing risk was effective and that risk was sufficiently controlled.

### Strategic risks

The strategic risk register defines those risks which, if they were to occur, could threaten our ability to deliver our key aims.

Of the ten risks on strategic risk register, the following six risks were on target at 31 March 2016:

-  **Business continuity**  
insufficient business continuity and resilience
-  **Compliance**  
non-compliance with NSPCC policies and procedures
-  **Staff and volunteer recruitment and retention**  
the inability to effectively and safely recruit staff
-  **Health and safety**  
significant non-compliance with health and safety legislation
-  **Political relations**  
failure to maintain effective political relations or breaching codes of practice
-  **Information security**  
failure to provide adequate technical information security measures

Four risks have yet to reach their target score but in each case all remaining actions are planned for delivery by or before September 2016. Progress in relation to each of these risks is dealt with in detail below.

#### **Safeguarding risk**

The risk to children which can, and must, be avoided, is their death, serious injury or harm as a direct result of flaws within our own arrangements for safeguarding and child protection.

Safeguarding and child protection controls related to this risk were reviewed by the Audit and Risk committee in June 2015. Although the eighteen controls to keep children safe are now in place we continue to strive to reduce this risk. In November 2015 we added an additional control - a review of the quality of practice across all our service centres that had not been recently inspected. This review was delivered at the end of 2015/16. The results of this review have helped us to identify areas of further improvement and to target additional support where required.

The Independent Inquiry into Child Sexual Abuse (IICSA) is an opportunity to help the adult and child victims of childhood sexual abuse and to help prevent the sexual abuse and exploitation of children in the future. Contributing to the Inquiry's success is a priority for us. Because of the Inquiry's importance, a specific Inquiry risk will be added to the strategic risk register to ensure our complete and effective cooperation. We already comply with the advice circulated widely by the Inquiry and we will aim to ensure that all documents which may be of interest are available at their request.

#### **Fundraising income risk**

In the past year the fundraising practices of the charity sector have come under media scrutiny. Irrespective of the challenges to fundraising, we must ensure that activities to raise money demonstrate behaviours which are consistent with our strong ethical values. We have not always been able to ensure that the behaviour of some third party fundraisers acting on our behalf have met consistently high expectations.

To mitigate the risks associated with the use of third party fundraisers we have adopted more proactive contract management arrangements. We have also streamlined the number of third party fundraisers we employ and suspended some direct fundraising channels. These actions have been taken even though they will have an impact upon income.

Despite the challenges, we are confident that the risk of "...an unplanned shortfall in income leading to a fall in planned revenue of more than 5% in-year and/or 15% over a 5 year period" is manageable. Our new strategy has realistic income projections. Our fundraising income controls and systems of financial planning are regularly reviewed and improved to support the management of this risk.

Strengthened fundraising income controls currently being worked on and which will be completed by September include improvements to the system of support and financial management planning.

#### **Data protection**

The risk of non-compliance with the Data Protection Act was framed to reflect the NSPCC's priority of securing sensitive personal data (Principal Seven of the Data Protection Act) especially children's data. Recent criticisms of the charity sector in relation to data protection were largely focussed on the fair and lawful processing of data (Principle One). All the controls identified to mitigate the current risk are in place with the exception of the implementation of a new Data Protection training module for employees. The module has been designed but has yet to be made available to our employees on our training system.

Although we have carried out an extensive review of our fundraising practices, the Information Commissioner's Office (ICO) investigation into the charitable sector may require further changes regarding how we manage personal data for fundraising purposes.

#### **Reputation risk**

The public criticism of the charity sector, triggered to a considerable degree by reported fundraising practices, damaged the reputation of the sector as a whole. To enhance the public's trust in the NSPCC we developed an action plan, with the assistance of an external adviser, to review and where appropriate strengthen practices that could have a positive impact in that context. The recommended actions have been taken and are working effectively. Some further additional enhancements to management information will be in place by September 2016.

#### **Status of strategic risks**



- Target not met
- Approaching target
- On target

## Public benefit and how our activities deliver public benefit

We have a duty to report on our organisation's public benefit under section 4 of the Charities Act 2011. 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 the most vulnerable children. 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 also campaign to make children safer and improve the child protection system across the UK and Channel Islands.

## Trustees' responsibility statement

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent

- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

## Subsidiaries and related parties

NSPCC Trading Company Limited and Childline are both wholly owned subsidiaries of the NSPCC, and their accounts are consolidated in the accounts presented on pages 68 to 92.

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 reduced income this year due to some fundraising events being transferred to the NSPCC. The company had a profitable year and continues to develop its activities to support the work of the NSPCC. The taxable profit of £0.9 million (2015 £1.8 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 2016 it received £0.9 million legacy income (2015 £1.0 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 advisers

## Royal Patron

Her Majesty The Queen

## President

HRH The Countess of Wessex

## Royal Patron of Childline

HRH The Countess of Wessex

## Board of trustees

### Mark Wood *FCA MSI DBA*

Chairman  
Finance, Fundraising (from 23 October 2015),  
Nominations and Governance, Remuneration

### Ann Morrison

Vice-chairman  
Divisional Trustees (chair), Fundraising,  
Nominations and Governance, Remuneration

### Sir David Normington *GCB FCIPD*

Vice-chairman  
Nominations and Governance,  
Policy (chair), Remuneration

### Jonathan Bloomer *FCA CCMI*

Honorary treasurer  
Audit and Risk, Finance (chair), Fundraising  
(until 23 October 2015), Remuneration

### James Bailey *Chartered FCSI NASD Series 7*

Audit and Risk, Divisional Trustees

### Dr Joanna Begent *MBBS*

Policy

### Neil Berkett

Fundraising (chair), Service Delivery

### Elizabeth Brash

(appointed 1 September 2015)  
Divisional Trustees

### Fiona Curteis

Divisional Trustees  
Lead trustee with responsibility for safeguarding

### Tarek Khat *MBA*

Fundraising

### Lady Brenda McLaughlin *CBE Dip Soc Stds*

Divisional Trustees, Service Delivery (chair)

### Dame Denise Platt *DBE AIMSW*

Audit and Risk (chair), Policy, Service Delivery

### Dame Esther Rantzen *DBE*

President of Childline, Policy, Service Delivery

### Philippa Webster *FCIPD*

Divisional Trustees, Finance

### Sarah Wilson

Audit and Risk, Policy

## Co-opted members

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

**Catherine Baxendale** *FCIPD*  
(appointed 23 April 2015)  
Service Delivery

**Daniel Benton**  
Finance, Fundraising  
(from 23 October 2015)

**Andy Briggs** *FIA*  
Fundraising

**Clem Brohier**  
Audit and Risk

**Angela Cha**  
(appointed 23 October 2015)  
Fundraising

**Gavin Dein**  
Fundraising

**Geoffrey Godding**  
Fundraising

**Brian Ledbetter**  
(appointed 23 October 2015)  
Fundraising

**Ian McCaig**  
(appointed 23 October 2015)  
Fundraising

**Jonathan Middup** *CA*  
(appointed 10 March 2016)  
Audit and Risk

**Lynn Price**  
Divisional Trustees

**Philip Rowley** *FCA*  
Fundraising  
(resigned 17 May 2016)

**Gavin Sanderson** *ACA*  
Finance

**Marco Scognamiglio**  
(appointed 17 March 2016)  
Fundraising

**Rajesh Tugnait** *MBA CIM Diploma*  
*in Professional Marketing*  
Fundraising

**John Worth** *FCA*  
Finance

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

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

## Senior management (the executive board)

**Chief executive**  
Peter Wanless

**Director of Childline**  
Peter Liver  
(resigned 31 December 2015)

**Director of Children's Services  
Development and Delivery**  
Sherry Malik

**Director of National Services**  
Peter Watt

**Director of Communications**  
Ali Jeremy

**Director of Corporate Services**  
David Roberts

**Director of Fundraising**  
Paul Farthing  
(resigned 30 April 2016)

**Director of People**  
Siobhan Sheridan

**Director of Strategy,  
Policy and Evidence**  
Lisa Harker  
(resigned 31 March 2016)

## Bankers and professional advisers

**Bankers**  
**Barclays Bank Plc**  
One Churchill Place  
London E14 5HP

**The Co-operative Bank Plc**  
9 Prescott Street  
London E1 8BE

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

**Legal advisors**  
**Bates Wells & Braithwaite**  
10 Queen Street Place  
London EX4R 1BE

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

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

**Wilson's Law**  
4 Lincoln's Inn Fields  
London WC2A 3AA

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

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

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

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

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

**Drystone Chambers**  
35 Bedford Row  
London WX1R 4JH

**Gowling WLG**  
3 Waterhouse Square  
142 Holborn  
London EC1N 2SW

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

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

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

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

**Investment advisors**  
**BlackRock**  
12 Throgmorton Avenue  
London EC2N 2DL

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

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

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



## Financial review

### Summary

Our goal is always to do the most for children with the limited resources that we have. Throughout the last seven years of our strategy period, we have focussed on identifying efficiency savings as well as investing in the infrastructure and technology we need to develop and maintain innovative and effective services. As we begin our new strategy for the next five years, the action we've taken to streamline our activities has helped to create a strong foundation for the next phase of our ambitious work to end cruelty to children.

Our plans for the future have been set in the context of a challenging economic climate and a hugely difficult year for the charity sector as a whole. Following intense media and government scrutiny, we, along with other charities, were challenged to consider our fundraising practices and in particular whether the third party fundraising agencies that we use were upholding our values and principles. In response to the concerns raised we temporarily suspended some of our marketing activities until we could be sure that appropriate standards and practices were in place. We have made substantial changes to our fundraising operation so we are now better placed to serve our highly valued supporters without whose help we could not carry out our vital work of protecting children from abuse.

Some of the decisions we have taken, whilst we're confident it's right to do so, are likely to impact upon our ability to maintain some of our fundraising income streams in future. We continue to look for new ways to engage and inspire our supporters, but as we have planned for the year ahead, and set our longer term strategy, we have carefully considered our risks and opportunities to ensure that our projections are realistic and that we can align our planned services and activities with our expected future income.

Despite the challenges we have faced and the reduction in fundraising income this year, we have been able to increase our charitable expenditure to £98.2 million (2015: £97.5 million) representing 79.2 per cent (77.3 per cent) of our total expenditure\*.

## How we helped children

Total expenditure for the year was £126.4 million (2015: £127.8 million), a reduction of £1.4 million on last year, reflecting the suspension of fundraising marketing activities whilst at the same time increasing our expenditure on charitable activities.

Expenditure on Childline and the Schools Service increased by £0.8 million to £21.1 million (2015: £20.3 million). This year the Schools Service visited 8,416 schools (2015: 7,314) and spoke to 765,958 children (2015: 630,180 children) about how they can stay safe. We delivered over 300,000 counselling sessions through Childline (2015: 287,000), with 55 per cent (2015: 49 per cent) of these from children who were at serious risk of harm. Through our Doing More for Children programme we've been identifying ways to work more effectively across all of our helplines, developing new practices, responding to changes in the way children contact us and improving our technology to support this.

Expenditure on Child protection advice and awareness reduced by £0.3 million to £25.9 million (2015: £26.2 million). Although concerns raised in the sector about fundraising practices meant that we suspended some types of marketing activity, we focussed instead on helping people to understand our shared responsibility to tackle the problem of child abuse and how they can join us in the fight for childhood through a major new TV campaign – Alfie the Astronaut – which you can read more about on page 14. We also undertook additional work funded by the government to help develop and test mechanisms for improving the quality of Serious Case Reviews.

During the year, the NSPCC's helpline responded to 54,865 contacts in relation to child welfare (2015: 61,709) which resulted in 39,249 referrals to external agencies (2015: 41,342). We were also commissioned by the government to deliver a number of specialist helplines including support for the Independent Inquiry into Child Sexual Abuse and the operation of a Whistleblowing Advice Line to provide advice and support to professionals concerned about how child protection issues are being handled in their own or other organisations. You can read more about this on page 23.

Expenditure on Services for children and families increased by £0.3 million on the previous year to £47.0 million (2015: £46.7 million). We worked directly with 10,644 children and families (2015: 11,554) continuing to deliver innovative services that benefit the direct recipients of our work but concentrating particularly this year on informing broader practice and transferring knowledge to others so that we can influence children's lives well beyond the reach of our direct services. For example, by encouraging local authorities to adopt our Graded Care Profile 2 tool (see page 11).

Expenditure on Child protection consultancy decreased by £0.2 million to £4.1 million (2015: £4.3 million) as our Safe Network partnership came to an end. However, we continue to work with thousands of organisations and professionals every year, providing consultancy, face to face training, and a growing range of e-learning products to resource and equip them to better protect children.

Total expenditure on charitable activities was £0.7 million higher than last year at £98.2 million (2015: £97.5 million), representing a higher proportion of our overall expenditure at 79.2 per cent (2015: 77.3 per cent) of our total expenditure\*.

In the second half of the year we temporarily suspended a number of our fundraising marketing activities responding to concerns raised about practices in the sector. As a consequence of these actions, expenditure on raising donations and legacies reduced by £3.0 million to £20.4 million (2015: £23.4 million), and expenditure on sales of goods and other activities reduced by £0.6 million to £1.4 million (2015: £2.0 million). However, we invested in alternative forms of fundraising, increasing our expenditure on fundraising events by £0.9 million to £4.0 million (2015: £3.1 million).

Our efforts over the last five years to streamline all that we do have enabled us to reduce support costs from 7.0 per cent of total expenditure in 2012 to 4.7 per cent this year at £6.0 million (2015: £6.4 million, 5.0 per cent). Support costs are now required to include expenditure on governance activities of £0.6 million (2015: £0.6 million), and have been restated accordingly for the five years shown in the table opposite. Governance costs include the cost of internal audit, legal advice, costs associated with meeting constitutional and statutory requirements and strategic planning.

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

## How you gave your help

This year our total income reduced by £4.9 million to £128.9 million (2015: £133.8 million). Our income in the previous year included a profit of £4.9 million on the sale of a London premises as we consolidated our London property space. Challenges in the fundraising regulatory environment and the prevailing economic climate have impacted on our income from donations but this has been offset by a strong year for legacy income and an increase in income received from charitable services through grants, contracts and fees.

Overall income from donations and legacies fell by £3.6 million to £106.9 million (2015: £110.5 million) reflecting the suspension of some of our significant fundraising activities, pending the outcome of inquiries into fundraising practices. Income from individual giving including regular donations reduced by £2.4 million to £63.9 million (2015: £66.3 million), with reductions also seen in other voluntary income streams of a further £3.2 million in aggregate. The number of committed regular giving relationships reduced to 612,000 (2015: 647,500) which was 5.0 per cent below the target level of 643,400, as donor recruitment activities were reduced. However, income from legacies proved exceptional this year increasing by £2.0 million to £23.4 million (2015: £21.4 million), with legacy notifications of 1,143, outperforming the target level of 1,080 by 6.0 per cent.

Income from trading activities, including fundraising events, lottery and raffle, increased slightly by £0.3 million to £9.6 million (2015: £9.3 million), but the lottery in particular did not perform as well as expected, with new lottery players of 8,400 recorded against a target of 22,900, reflecting the temporary suspension of 'door to door' recruitment.

Income from charitable activities, received primarily from government and other statutory sources, through grants and contracts, increased by £3.4 million to £11.4 million (2015: £8.0 million). We received £2.2 million additional income from statutory performance-related grants including funding for Blackpool Better

Start (see page 11), the New Orleans Intervention Model (see page 12) and our work to develop and test mechanisms for improving the quality of serious case reviews and their use in influencing practice (see page 32). We also received £1.2 million additional income from contracts and fees, predominantly in relation to the commissioned helplines and growth in our e-learning sales.

Although we have received more income from our charitable activities this year, income from supporters (donations and legacies, and other trading activities) at 90.5 per cent (2015: 92.9 per cent) of total income received continues to illustrate the clear mandate we hold to act on behalf of the public to protect children. We would like to thank all of our supporters for their commitment to the cause and their passion for what we do, which leads them to give generously in so many ways.

## Reserves

Total funds now stand at £84.7 million, an increase of £1.4 million compared to last year. We aim to retain sufficient general funds in a range equivalent to approximately three to five months' forward expenditure. These general reserves are held in case of any sudden decline in income so that we can honour our commitments to children and young people by ensuring that contractual obligations to staff, premises and funding partners can be made with some confidence. At 31 March 2016 unrestricted general funds were £53.1 million (2015: £50.6 million) and were equivalent to 5.0 months forward expenditure (2015: 4.5 months). Although this is the very top of our target range, this is prudent given the uncertainty around fundraising income and the regulatory environment.

At 31 March 2016 designated funds were £22.1 million (2015: £23.3 million). Designated funds are funds set aside by the trustees out of general funds to cover the value of property fixed assets held, which includes freehold and leasehold properties, or to fund specific future purposes or projects. Currently the designated fund balance relates to property fixed assets, with a land value of £1.3 million and depreciating property assets of £20.8 million. The remaining average depreciation time for these property assets is 23 years.

At 31 March 2016 restricted funds were £8.2 million (2015: £8.1 million). Restricted funds are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds. Of the restricted funds represented by tangible fixed assets, £6.3 million relates to freehold and leasehold property, with a land value of £0.8 million and depreciating assets of £5.5 million with a remaining average depreciation time of 34 years. A further £0.9 million relates to software intangible fixed assets with a remaining average depreciation time of one year. Included in restricted funds is a further £0.1 million which relates to restricted donations to be spent on intangible fixed asset development software. The remaining balance of restricted funds at 31 March 2016 represents unspent restricted income of £1.0 million predominantly for Childline and the Schools Service which will be used to fund future activities.

## Investments and cash

### Investment policy

The trustees have wide investment powers set out in the Royal Charter and bye-laws. The trustees have delegated their responsibilities for investments to the Finance Committee.

Investments may be made in any share or bond, unless the underlying activity of the company or institution concerned is in direct conflict with the aims of the NSPCC. Trustees accept that investing in pooled funds will restrict their ability to fully apply an ethical investment policy. Management will, however, remain vigilant of issues that might affect the NSPCC and bring them to the attention of the Investment Managers.

Investments are held to complement and support the reserves policy, requiring funds to be available at short notice to deal with a significant and sudden fall in income. The main investment objective is to protect capital and to invest in liquid assets. In order to limit the risk, the aggregated exposure to a single fund manager should not exceed £12 million and in relation to investments made in bonds and equities, the NSPCC shall not be exposed to a single counterparty risk in excess of £5 million.

At 31 March 2016 all of our investments were held in cash or fixed interest bonds, available for short term access. A total of £27.4 million was held in fixed interest bonds (2015: £27.8 million), and £30.8 million was held in bank deposits (2015: £28.9 million), including £11.5 million held as current investments (2015: £7.3 million). The cash investments held are placed on deposit in accordance with our investment policy, with a minimum of £12 million being available on request. The remaining cash balance is either available on demand or placed for a maximum period of 12 months. The overall return on cash investments for the year ending 31 March 2016 was 0.6 per cent (2015: 0.5 per cent).

The table opposite shows the performance of our bond investments at 31 March 2016.

### Pensions

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

The valuation of the defined benefit pension scheme is based on the latest triennial actuarial valuation as at 31 March 2012. The subsequent FRS 102 valuation (on an accounting basis) as at 31 March 2016 showed assets of £165.9 million with liabilities of £157.7 million giving a surplus of £8.2 million (2015: a surplus of £1.4 million). As the Scheme trustees retain full discretion over whether to grant a refund to NSPCC, the surplus has not been recognised, and the pension is shown at £nil value on the balance sheet.

Although the scheme shows a surplus for accounting purposes, the assumptions and calculation are driven by the accounting standards (FRS 102) whereas the Pension Scheme trustees are responsible for setting the assumptions used for funding purposes which are driven by legislation, have different priorities and attitudes to risk and return, and are guided by the pension regulator. As a result of this difference in approach, the most recent actuarial valuation at 31 March 2012 showed a deficit of £8.2 million.

Investment fund	Investment objective	Fund value 31 March 2016 £'000	Yield %	Total return % (net of fees)	Benchmark %	Variance %	Benchmark used
<b>Henderson Preference and Bond Fund</b>	To remain competitive with other investment funds comprised in the peer group used as the Performance Benchmark for this Asset Class.	4,524	5.2	0.75	N/A	N/A	N/A <sup>1</sup>
<b>M&amp;G Corporate Bond Fund, Sterling I class</b>	To achieve a higher total return from investment than would be obtainable in UK government fixed interest securities (i.e. gilts) of similar maturities.	11,264	3.54	0.21	(1.20)	1.41	IA £ Corporate Bond sector
<b>UBS NSPCC Bond Fund</b>	To adhere to NSPCC set criteria for required ratings of investments, exposure to single issuer and maximum duration.	11,614	0.91	0.66	0.58	0.08	3 month LIBOR

<sup>1</sup>Henderson Preference and Bond Fund '1' Inc. – no formal benchmark – peer group comparison, i.e. "UK Other Bonds" sector according to the "Sector Definitions and Classifications" of the Investment Management Association; performance figures of the peer group will be those available on the website of Morningstar or any comparable alternative service.

The Society has agreed with the Scheme trustees that it will aim to eliminate the deficit over a period of 5 years and 8 months from 30 April 2013 by the payment of £2 million per annum until 31 December 2014 and £1 million per annum from 1 January 2015 to 31 December 2018. These contributions include £0.4 million per annum as an allowance in respect of levies to the Pensions Protection Fund and management and administration expenses. In addition, the Society has agreed with the trustees that it will review discretionary increases on pensions built up before 6 April 1997 on an annual basis, capped at £0.5 million per annum. A triennial valuation as at 31 March 2015 is currently being finalised and contributions will be reviewed as part of this.

### Going concern

We have outlined the Charity's financial position and performance in the financial review above. We have assessed projected future income, expenditure and cash flows over the period to 31 March 2018, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. We have considered donor attrition rates and the stability and diversity of various income streams in making this assessment, particularly in light of the fundraising challenges experienced in the past year.

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

### Adoption of Charities SORP (FRS 102)

In line with changes in UK and charity accounting requirements for accounting periods ending on or after 31 March 2015, this is the first year that we have prepared the financial statements under Charities SORP (FRS 102) issued by the Financial Reporting Council. A number of accounting policies have changed in order to comply with the new standard. Comparative figures for the year ending 31 March 2015 have been restated accordingly. Details of the restatement are given within note 2 of the accounts.



**Mark Wood**, Chairman  
12 August 2016

<sup>\*</sup>Expenditure on charitable activities is 79.2 per cent (2015: 77.3 per cent) of total expenditure excluding other expenditure.

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

We have audited the financial statements of the National Society for the Prevention of Cruelty to Children (NSPCC) for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the NSPCC and Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

## Respective responsibilities of trustees and auditor

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

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

## Scope of the audit of the financial statements

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

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Royal Charter.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

### Deloitte LLP

12 August 2016

Chartered Accountants and Statutory Auditor  
London, UK

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

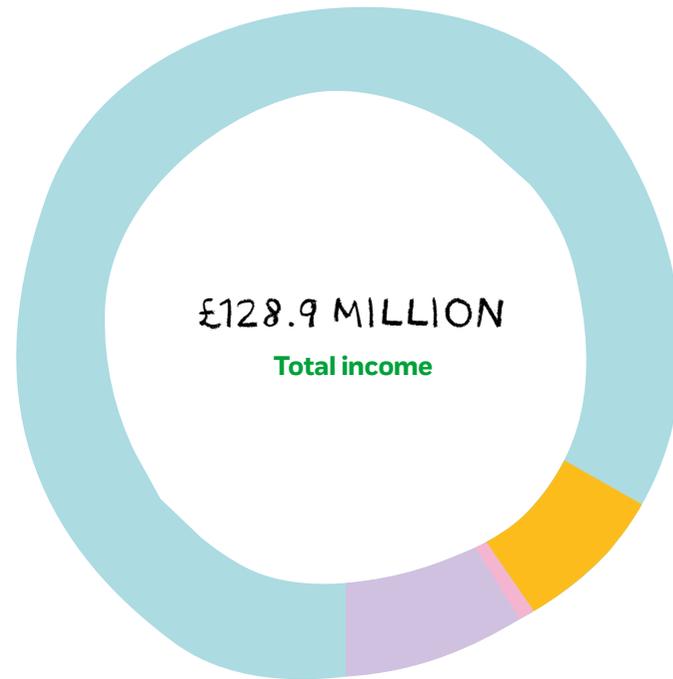
# How you gave your help

**£106.9 MILLION**  
(82.9%)

## Donations and legacies

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

(£110.5 million in 2015)



**£11.4 MILLION**  
(8.9%)

## Income from carrying out our charitable work

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

(£8.0 million in 2015)

**£9.6 MILLION**  
(7.4%)

## Other trading activities

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

(£9.3 million in 2015)

**£1.0 MILLION**  
(0.8%)

## Investment Income

Income received from our bank accounts and investment holdings.

(£1.2 million in 2015)

# How we helped children

**£98.2 MILLION**  
(79.2%)

## Charitable expenditure

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

(£97.5 million in 2015)

- Services for children and families £47.0 million (£46.7 million in 2015)
- Childline and the Schools Service £21.1 million (£20.3 million in 2015)
- Child protection advice and awareness £25.9 million (£26.2 million in 2015)
- Child protection consultancy £4.1 million (£4.3 million in 2015)



**£20.4 MILLION**  
(16.5%)

## Raising donations and legacies

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

(£23.4 million in 2015)

**£5.4 MILLION**  
(4.3%)

## Other trading activities

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

(£5.0 million in 2015)

**£2.4 MILLION**  
Other\*

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

(£1.8 million in 2015)

\* Total expenditure was £126.4 million (£127.8 million in 2015) including other expenditure of £2.4 million (£1.8 million in 2015). These costs have been excluded from the figures presented above as they are of a one-off nature.

# NSPCC Consolidated Statement of Financial Activities

for the year to 31 March 2016

	Notes	Unrestricted funds £'000	Restricted & endowment funds £'000	Year to 31 March 2016 £'000	Restated Year to 31 March 2015 £'000
<b>Income from:</b>					
Donations and legacies	4	97,144	9,727	106,871	110,523
Charitable activities	5	4,194	7,233	11,427	7,964
Other trading activities	4	5,035	4,519	9,554	9,259
Investments	4	961	5	966	1,209
Other	6	94	-	94	4,888
<b>Total income</b>		<b>107,428</b>	<b>21,484</b>	<b>128,912</b>	<b>133,843</b>
<b>Expenditure on:</b>					
Raising donations and legacies	7	20,290	77	20,367	23,418
Other trading activities	7	5,374	6	5,380	5,040
Investment management costs	7	101	3	104	109
<b>Raising funds</b>		<b>25,765</b>	<b>86</b>	<b>25,851</b>	<b>28,567</b>
<b>Net income available for charitable application</b>		<b>81,663</b>	<b>21,398</b>	<b>103,061</b>	<b>105,276</b>
<b>Expenditure on:</b>					
Services for children and families		38,779	8,252	47,031	46,703
Childline and the Schools Service		10,515	10,592	21,107	20,281
Child protection advice and awareness		24,230	1,680	25,910	26,206
Child protection consultancy		3,359	786	4,145	4,271
<b>Charitable activities</b>	<b>7</b>	<b>76,883</b>	<b>21,310</b>	<b>98,193</b>	<b>97,461</b>
Other	7	2,400	-	2,400	1,762
<b>Total expenditure</b>		<b>105,048</b>	<b>21,396</b>	<b>126,444</b>	<b>127,790</b>
<b>Net income before investment (losses)/gains</b>		<b>2,380</b>	<b>88</b>	<b>2,468</b>	<b>6,053</b>
Net (losses)/gains on investments	15	(501)	(15)	(516)	723
<b>Net income</b>		<b>1,879</b>	<b>73</b>	<b>1,952</b>	<b>6,776</b>
<b>Other recognised gains/(losses):</b>					
Actuarial (losses) on defined benefit pension scheme	21	(571)	-	(571)	(1,327)
<b>Net movement in funds</b>		<b>1,308</b>	<b>73</b>	<b>1,381</b>	<b>5,449</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward as previously reported		73,378	9,485	82,863	77,902
Prior year adjustment on implementation of FRS 102	2	468	-	468	(20)
Total funds brought forward as restated		73,846	9,485	83,331	77,882
<b>Total funds carried forward</b>		<b>75,154</b>	<b>9,558</b>	<b>84,712</b>	<b>83,331</b>

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

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

The Consolidated Statement of Financial Activities with fund comparatives is detailed within note 3.

This is the first year that the Society has presented the financial statements under Charities SORP (FRS 102). Figures for the year ending 31 March 2015 have been restated. Details of the restatement are given within note 2.

# NSPCC and Consolidated Balance Sheets

as at 31 March 2016

	Notes	Group 2016 £'000	Group Restated 2015 £'000	Charity 2016 £'000	Charity Restated 2015 £'000
<b>Fixed assets</b>					
Tangible assets	13	31,048	33,365	31,048	33,365
Intangible assets	13	3,488	2,801	3,488	2,801
Investments	15	46,745	49,362	46,745	49,362
<b>Total fixed assets</b>		<b>81,281</b>	<b>85,528</b>	<b>81,281</b>	<b>85,528</b>
<b>Current assets</b>					
Debtors	16	11,343	11,567	11,262	11,406
Investments	17	11,458	7,349	11,458	7,349
Cash at bank and in hand	17	988	524	833	477
<b>Total current assets</b>		<b>23,789</b>	<b>19,440</b>	<b>23,553</b>	<b>19,232</b>
Creditors: Amounts falling due within one year	18	(16,428)	(17,508)	(16,222)	(17,345)
<b>Net current assets</b>		<b>7,361</b>	<b>1,932</b>	<b>7,331</b>	<b>1,887</b>
<b>Total assets less current liabilities</b>		<b>88,642</b>	<b>87,460</b>	<b>88,612</b>	<b>87,415</b>
Provisions for liabilities	19	(3,930)	(4,129)	(3,930)	(4,129)
<b>Net assets excluding pension scheme liability</b>		<b>84,712</b>	<b>83,331</b>	<b>84,682</b>	<b>83,286</b>
Defined benefit pension scheme liability	21	-	-	-	-
<b>Total net assets</b>		<b>84,712</b>	<b>83,331</b>	<b>84,682</b>	<b>83,286</b>
<b>Total funds</b>					
Endowment funds	23	1,391	1,409	1,391	1,409
Restricted income funds	23	8,167	8,076	8,167	8,076
<i>Unrestricted funds:</i>					
Designated funds	23	22,055	23,268	22,055	23,268
General funds	23	53,099	50,578	53,069	50,533
<i>Total unrestricted funds</i>		<b>75,154</b>	<b>73,846</b>	<b>75,124</b>	<b>73,801</b>
<b>Total funds</b>		<b>84,712</b>	<b>83,331</b>	<b>84,682</b>	<b>83,286</b>

This is the first year that the Society has presented the financial statements under Charities SORP (FRS 102). Figures for the year ending 31 March 2015 have been restated. Details of the restatement are given within note 2.

The accompanying notes form part of these accounts.

Approved by the board of trustees on 12 August 2016 and signed on its behalf by

**Mark Wood**  
Chairman

**Jonathan Bloomer**  
Treasurer

# Consolidated Cash Flow Statement

for the year ended 31 March 2016

	Notes	2016 £'000	Restated 2015 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	a	3,517	2,542
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		966	1,209
Proceeds from the sale of tangible and intangible fixed assets		245	9,551
Purchase of tangible and intangible fixed assets		(2,256)	(11,013)
Proceeds from sale of investments		14,426	17,254
Purchase of investments		(12,325)	(19,593)
<b>Net cash provided by/(used in) investing activities</b>		<b>1,056</b>	<b>(2,592)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>4,573</b>	<b>(50)</b>
Cash and cash equivalents at the beginning of the reporting period	b	7,873	7,923
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>b</b>	<b>12,446</b>	<b>7,873</b>
<b>Notes to the cash flow statement</b>			
		2016 £'000	Restated 2015 £'000
<b>a. Reconciliation of net income to net cash flow from operating activities</b>			
Net income		1,952	6,776
Adjustments for:			
Depreciation and amortisation charges		3,735	3,315
Impairment charges		-	221
Losses/(gains) on investments		516	(723)
Dividends and interest from investments		(966)	(1,209)
Profit on the sale of tangible and intangible fixed assets		(94)	(4,888)
Decrease/(increase) in debtors		224	(2,255)
(Decrease)/increase in creditors		(1,080)	2,776
Decrease in other provisions		(199)	(144)
Difference between pension contributions paid and charges made		(571)	(1,327)
<b>Net cash provided by operating activities</b>		<b>3,517</b>	<b>2,542</b>
<b>b. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		988	524
Current investments		11,458	7,349
<b>Total cash and cash equivalents</b>		<b>12,446</b>	<b>7,873</b>

# Notes to the Consolidated Accounts

for the year ended 31 March 2016

## 1. Accounting policies

### 1.1 Basis of accounting

The NSPCC is a public benefit entity; these accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) (the SORP), Financial Reporting Standard 102 (FRS 102), and the Charities Act 2011. The accounts are prepared under the historical cost convention as modified for the revaluation of investments.

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

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

### 1.2 Accounting changes

These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS102. The date of transition is 1 April 2014. As a consequence of adopting the SORP and FRS 102, certain accounting policies have been revised to comply with these standards. Details of those policy changes that result in a prior year adjustment are given within note 2, which shows the effect for the year ending 31 March 2015.

### 1.3 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 12.

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. The company acts solely as a corporate trustee of the NSPCC Pension Scheme, does not trade on its own behalf and has no assets or liabilities.

### 1.4 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 matters below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported:

- 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 1.6.
- Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy 1.7.
- Actuarial assumptions: See detailed disclosure within note 21.

## 1. Accounting policies (continued)

- Dilapidations: During the year the Society completed a full review of the potential liability in relation to dilapidations at the end of the lease. The provision is calculated based on average historic landlord claim experience. The movement on the provision reflects both changes in the average landlord claims and changes in properties occupied by the Society.
- Bad Debt provision: Specific provisions are made where it is unlikely that the Society will receive payment. A provision is also made against debtors over 60 days old with a provision against 25% of the balance for debtors between 60 and 120 days and 50% of the balance for debtors over 120 days.

### 1.5 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 company 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.

### 1.6 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.

### 1.7 Expenditure

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

Charitable activities expenditure enables the Society to meet its charitable aims and objectives. Expenditure on raising funds includes expenditure incurred in raising donations and legacies, other trading activities and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Expenditure is apportioned where it relates to more than one cost category, such as communication with the public around child protection advice and awareness with the parallel purpose of encouraging potential donors to

contribute funds to the Society. The method of apportionment uses the most appropriate basis in each case. Marketing activities with the dual purpose of generating funds and informing the public about child protection are allocated based on content. An analysis of the split between directly attributable costs and allocated costs incurred for fundraising activities and child protection advice and awareness is detailed within note 8.

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 10.

Any irrecoverable VAT is included as part of the cost to which it relates. The amount suffered in the year is detailed within note 7.

### 1.8 Fund Accounting

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

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

*Restricted funds* - these are funds received for undertaking an activity specified by the donor when making the gift, or may result from the terms of an appeal for funds.

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

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

### 1.9 Tangible and intangible fixed assets

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

*Freehold property* - 50 years

*Leasehold property* - the shorter of the lease term or 50 years

*Furniture, fittings and equipment* - 5 years

*Major software development* - 5 years

*Other computer software and hardware* - 2 years  
No depreciation is provided on freehold land.

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

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

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

### 1.10 Investments

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

Donated shares that come with a requirement that they be held for a fixed period or are infrequently traded are included in the balance sheet at the lower of market value if available and a value assessed by the trustees. This value is reviewed by the trustees at each balance sheet date.

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

### 1.11 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

## 1. Accounting policies (continued)

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.

## 2. Explanation of transition to FRS 102

This is the first year that the Society has presented the financial statements under Charities SORP (FRS 102). The following disclosures are required in the year of transition. The last financial statements prepared under the previous UK GAAP and SORP 2005 were for the year ended 31 March 2015; the date of transition to Charities SORP (FRS 102) was therefore 1 April 2014. As a consequence of adopting Charities SORP (FRS 102), a number of accounting policies have changed to comply with that standard. Details of those changes that result in a prior year adjustment are given below, and show the effect for the year ending 31 March 2015.

### Legacy income accrued

The accounting policy relating to legacy income recognition has changed, resulting in the earlier recognition of income and therefore an increase in legacy income accrued. Previously legacies were recognised at the earlier of the date of notification of an impending distribution or the date of the receipt, whereas now the recognition point for

### 1.12 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.

### 1.13 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 due to their policy of gifting all the taxable profits to the NSPCC in the year.

### 1.14 Cash flow

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

pecuniary legacies is normally when notification of the grant of probate is received, and for residuary legacies normally 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.

### Holiday pay liability

A liability has been recognised for the cost of paid annual leave which employees are entitled to at the reporting date that has not yet been paid.

### Reclassification of non-performance related grants

Non-performance related grant income is included within income from donations and legacies, whereas it was previously classified as income from charitable activities. This has resulted in £1,255,000 being reclassified in the year ending 31 March 2015, and is now shown in note 4 rather than note 5.

### Governance costs

Governance costs of £647,000 in the year ending 31 March 2015, have been reclassified within support costs, as detailed within note 9. Governance costs have therefore been removed from the face of the Statement of Financial Activities and instead have been allocated with support costs as detailed within accounting policy 1.7.

### Pensions

The presentation and measurement of the defined benefit pension liability has changed, however the overall defined benefit asset remains at £nil. Under the previous treatment,

the expected return on scheme assets exceeded the interest cost, resulting in net income of £1,153,000. This has reduced to £nil due to the removal of the expected return on assets assumption, and the limitation of recognition of a surplus. Past service costs of £500,000 continue to be charged to expenditure but are shown as losses due to benefit costs. A further £423,000 administrative costs have also been charged to expenditure. Remeasurement of the net defined benefit liability under FRS 102 has reduced the actuarial loss from £2,903,000 to £1,327,000. The overall defined benefit asset remains at £nil, as the scheme rules prevent the recognition of a surplus.

	Group		Charity	
	31 March 2015	1 April 2014	31 March 2015	1 April 2014
	£'000	£'000	£'000	£'000
<b>Reconciliation of funds and balances</b>				
Total funds as previously reported	82,863	77,902	82,833	77,872
Increase in funds due to the change in legacy income accrued	1,033	560	1,018	493
(Increase) in current liabilities due to holiday pay liability	(565)	(580)	(565)	(580)
<b>Total funds as restated</b>	<b>83,331</b>	<b>77,882</b>	<b>83,286</b>	<b>77,785</b>

	Group	Charity
	2015	2015
	£'000	£'000
<b>Reconciliation of net movement in funds for the year ending 31 March 2015</b>		
Net movement in funds as previously reported	4,961	4,961
Increase in legacy income recognised	473	525
Decrease in holiday pay liability	15	15
<b>Net movement in funds as restated</b>	<b>5,449</b>	<b>5,501</b>

All adjustments shown above are reflected in general funds.

### 3. Consolidated Statement of Financial Activities with fund comparatives

	Unrestricted funds £'000	Restricted & endowment funds £'000	Year to 31 March 2016 £'000	Restated Unrestricted funds £'000	Restated Restricted & endowment funds £'000	Restated Year to 31 March 2015 £'000
<b>Income from:</b>						
Donations and legacies	97,144	9,727	106,871	97,242	13,281	110,523
Charitable activities	4,194	7,233	11,427	2,805	5,159	7,964
Other trading activities	5,035	4,519	9,554	5,604	3,655	9,259
Investments	961	5	966	1,206	3	1,209
Other	94	-	94	4,888	-	4,888
<b>Total income</b>	<b>107,428</b>	<b>21,484</b>	<b>128,912</b>	<b>111,745</b>	<b>22,098</b>	<b>133,843</b>
<b>Expenditure on:</b>						
Raising donations and legacies	20,290	77	20,367	23,366	52	23,418
Other trading activities	5,374	6	5,380	4,438	602	5,040
Investment management costs	101	3	104	106	3	109
<b>Raising funds</b>	<b>25,765</b>	<b>86</b>	<b>25,851</b>	<b>27,910</b>	<b>657</b>	<b>28,567</b>
<b>Net income available for charitable application</b>	<b>81,663</b>	<b>21,398</b>	<b>103,061</b>	<b>83,835</b>	<b>21,441</b>	<b>105,276</b>
<b>Expenditure on:</b>						
Services for children and families	38,779	8,252	47,031	38,459	8,244	46,703
Childline and the Schools Service	10,515	10,592	21,107	9,978	10,303	20,281
Child protection advice and awareness	24,230	1,680	25,910	25,513	693	26,206
Child protection consultancy	3,359	786	4,145	2,927	1,344	4,271
<b>Charitable activities</b>	<b>76,883</b>	<b>21,310</b>	<b>98,193</b>	<b>76,877</b>	<b>20,584</b>	<b>97,461</b>
Other	2,400	-	2,400	1,762	-	1,762
<b>Total expenditure</b>	<b>105,048</b>	<b>21,396</b>	<b>126,444</b>	<b>106,549</b>	<b>21,241</b>	<b>127,790</b>
<b>Net income before investment (losses)/gains</b>	<b>2,380</b>	<b>88</b>	<b>2,468</b>	<b>5,196</b>	<b>857</b>	<b>6,053</b>
Net (losses)/gains on investments	(501)	(15)	(516)	705	18	723
<b>Net income</b>	<b>1,879</b>	<b>73</b>	<b>1,952</b>	<b>5,901</b>	<b>875</b>	<b>6,776</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses) on defined benefit pension scheme	(571)	-	(571)	(1,327)	-	(1,327)
<b>Net movement in funds</b>	<b>1,308</b>	<b>73</b>	<b>1,381</b>	<b>4,574</b>	<b>875</b>	<b>5,449</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward as previously reported	73,378	9,485	82,863	69,292	8,610	77,902
Prior year adjustment on implementation of FRS 102	468	-	468	(20)	-	(20)
Total funds brought forward as restated	73,846	9,485	83,331	69,272	8,610	77,882
<b>Total funds carried forward</b>	<b>75,154</b>	<b>9,558</b>	<b>84,712</b>	<b>73,846</b>	<b>9,485</b>	<b>83,331</b>

### 4. Analysis of income from raised funds

	2016 £'000	Restated 2015 £'000
<b>Donations and legacies:</b>		
Individual giving including regular donations	63,889	66,328
Legacies	23,350	21,372
Regional and community fundraising	8,334	9,232
Corporates, trusts and major donors	8,379	10,242
Schools fundraising	2,093	2,365
Other donations and gifts	826	984
<b>Total</b>	<b>106,871</b>	<b>110,523</b>
<b>Other trading activities:</b>		
Fundraising events	6,787	6,748
Sale of goods and other activities*	2,767	2,511
<b>Total</b>	<b>9,554</b>	<b>9,259</b>
<b>Investments:</b>		
Dividends - UK	-	2
Interest	966	1,207
<b>Total</b>	<b>966</b>	<b>1,209</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 £581,000 (2015 £608,000), of which £389,000 (2015 £496,000) has been recognised within Other donations and gifts and £192,000 (2015 £112,000) within Corporates, trusts and major donors.

Donations and legacies includes £3,000 (2015 £725,000) income received for a capital purpose, of which £3,000 (2015 £1,000) has been recognised within Other donations and gifts and £nil (2015 £724,000) has been recognised within Corporates, trusts and major donors.

Income from donations and legacies includes £6,485,000 from non-performance related grants (2015 £4,419,000), of which £1,497,000 are government grants (2015 £1,025,000). 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.

Total trustee donations of £22,000 (2015 £99,000) have been received in the year, of which £5,000 (2015 £15,000) was restricted. Included in fundraising events is £19,000 (2015 £11,000) income reflecting trustee support for other trading activities (such as the purchase of tickets). Corporates, trusts and major donors includes £nil (2015 £58,000) sponsorship income raised by trustees.

### 5. Analysis of income from charitable activities

Income raised by the following child protection activities:

	Statutory funding		Non-Statutory funding		Total 2016 £'000	Restated Total 2015 £'000
	Contracts and fees £'000	Performance related grants £'000	Contracts and fees £'000	Performance related grants £'000		
Services for children and families	1,400	2,340	397	-	4,137	2,336
Childline and the Schools Service	-	1,805	49	-	1,854	1,811
Child protection advice and awareness	710	333	124	-	1,167	464
Child protection consultancy	100	1,735	2,280	154	4,269	3,353
<b>Total</b>	<b>2,210</b>	<b>6,213</b>	<b>2,850</b>	<b>154</b>	<b>11,427</b>	<b>7,964</b>

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

Income from charitable activities includes £6,367,000 from performance related grants (2015 £4,077,000), of which £6,213,000 are government grants (2015 £4,016,000). 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 £2,210,000 (2015 £1,337,000). 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 £74,000 (2015 £50,000) in respect of staff secondments, and £36,000 (2015 £56,000) in respect of premises and other facilities which have been recognised as gifts in kind.

Statutory performance related grants include £13,000 (2015 £nil) income received for a capital purpose.

## 6. Analysis of other income

	2016 £'000	2015 £'000
Profit from sale of tangible and intangible fixed assets	94	4,888
<b>Total</b>	<b>94</b>	<b>4,888</b>

## 7. Analysis of total expenditure

	Notes	Direct Costs £'000	Support Costs £'000	Total 2016 £'000	Restated Total 2015 £'000
<b>Expenditure on raising funds:</b>					
<b>Expenditure on raising donations and legacies:</b>					
Individual giving including regular donations		8,065	166	8,231	10,135
Legacies		1,641	70	1,711	2,379
Regional and community fundraising		5,511	242	5,753	6,315
Corporates, trusts and major donors		3,131	161	3,292	2,701
Schools fundraising		817	58	875	1,057
Other donations and gifts		482	23	505	831
<b>Total</b>		<b>19,647</b>	<b>720</b>	<b>20,367</b>	<b>23,418</b>
<b>Expenditure on other trading activities:</b>					
Fundraising events		3,819	161	3,980	3,074
Sale of goods and other activities		1,378	22	1,400	1,966
<b>Total</b>		<b>5,197</b>	<b>183</b>	<b>5,380</b>	<b>5,040</b>
Investment management costs		104	-	104	109
<b>Total expenditure on raising funds</b>	<b>8</b>	<b>24,948</b>	<b>903</b>	<b>25,851</b>	<b>28,567</b>
<b>Expenditure on charitable activities:</b>					
Services for children and families		44,434	2,597	47,031	46,703
Childline and the Schools Service		19,788	1,319	21,107	20,281
Child protection advice and awareness	8	24,955	955	25,910	26,206
Child protection consultancy		3,940	205	4,145	4,271
<b>Total expenditure on charitable activities</b>		<b>93,117</b>	<b>5,076</b>	<b>98,193</b>	<b>97,461</b>
<b>Other expenditure:</b>					
Dilapidations		95	-	95	177
Restructuring costs		1,376	-	1,376	441
Write down of property and equipment		-	-	-	221
Defined benefit pension costs (see note 21)		929	-	929	923
<b>Total other expenditure</b>		<b>2,400</b>	<b>-</b>	<b>2,400</b>	<b>1,762</b>
<b>Total expenditure</b>		<b>120,465</b>	<b>5,979</b>	<b>126,444</b>	<b>127,790</b>

Included in total expenditure is irrecoverable Value Added Tax of £4,799,000 (2015 £6,173,000).

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.

### 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.

	2016 £'000	2015 £'000
<b>Total expenditure is stated after charging:</b>		
<b>Operating lease rentals:</b>		
Land and buildings	1,737	2,490
Other	420	176
<b>Fees payable to the Charity's auditors for:</b>		
Statutory audit of the Charity and Group accounts	98	95
Statutory audit of the Charity's subsidiaries' accounts	6	6
<b>Total audit fees</b>	<b>104</b>	<b>101</b>
Tax advisory services	2	2
Other consultancy	5	88
<b>Total non-audit fees</b>	<b>7</b>	<b>90</b>
<b>Charges on owned assets:</b>		
Depreciation and amortisation	3,735	3,315
Impairment	-	221
<b>Trustees' expenses:</b>		
Trustees' travel, subsistence and other expenses	13	11

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 (2015 Enil).

Total trustee expenses of £13,000 (2015 £11,000) were incurred in the year, in respect of five trustees (2015 six). During the year the Society paid indemnity insurance in respect of the trustees of £7,000 (2015 £7,000).

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

## 8. 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.

	2016		Restated 2015	
	Raising funds £'000	Child protection advice and awareness £'000	Raising funds £'000	Child protection advice and awareness £'000
Charged directly	10,930	10,929	10,288	11,510
Allocated costs	14,018	14,026	17,309	13,689
<b>Direct costs allocated</b>	<b>24,948</b>	<b>24,955</b>	<b>27,597</b>	<b>25,199</b>
Support costs allocated	903	955	970	1,007
<b>Total</b>	<b>25,851</b>	<b>25,910</b>	<b>28,567</b>	<b>26,206</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.

## 9. Allocation of support costs

Type of cost	Raising funds £'000	Charitable activities £'000	Restated	
			Total 2016 £'000	Total 2015 £'000
Central management and administration	630	3,553	4,183	4,347
Premises, infrastructure and communications	177	988	1,165	1,362
Governance	96	535	631	647
<b>Total support costs allocated</b>	<b>903</b>	<b>5,076</b>	<b>5,979</b>	<b>6,356</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 include provision of information system services and internal and external communications.

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

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

## 10. Employees

	2016 £'000	Restated 2015 £'000
<b>Total staff costs recognised in the year</b>		
Wages and salaries	59,748	59,902
Social security costs	6,061	6,128
Pension costs	4,527	4,638
Other forms of employee benefits	1,608	1,708
<b>Total</b>	<b>71,944</b>	<b>72,376</b>

Redundancy costs of £729,000 have been paid in the year (2015 £445,000). The amount recognised in expenditure in the year was £1,117,000 (2015 £54,000).

Included within pension costs of £4,527,000 (2015 £4,638,000) are costs relating to the defined contribution scheme of £3,598,000 (2015 £3,715,000) and costs relating to the defined benefit scheme of £929,000 (2015 £923,000). Pension costs in relation to the defined benefit pension scheme are detailed within note 21.

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

The average number of employees on the payroll for the year was 2,045 (2015 2,049). The average number of employees, calculated on a full time equivalent basis for the year was 1,820 (2015 1,830). 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:**

	2016 Number	2015 Number
Activities to end cruelty to children	1,405	1,358
Raising funds	254	305
Support and governance	161	167
<b>Total</b>	<b>1,820</b>	<b>1,830</b>

**The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period amounted to over £60,000 was as follows:**

	2016 Number	2015 Number
£160,001-£170,000	1	1
£130,001-£140,000	2	2
£120,001-£130,000	1	-
£110,001-£120,000	2	1
£100,001-£110,000	2	3
£90,001-£100,000	2	2
£80,001-£90,000	5	6
£70,001-£80,000	14	10
£60,001-£70,000	24	29
<b>Total</b>	<b>53</b>	<b>54</b>

The table above does not include termination benefits paid in the year. If these were included, one employee in the banding £80,001-£90,000 would move to the banding £110,001-£120,000, one additional employee would be included in the banding £90,001-£100,000 and one in the banding £110,001-£120,000 (2015 two additional employees in the banding £120,001-£130,000).

	2016 £'000	2015 £'000
<b>Key management personnel</b>		
Total employee benefits received by the Executive board for their services during the year	1,277	1,111

## 11. Contribution from volunteers

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

- Our Childline service delivers 24/7 support to children throughout the year. Our Childline counselling service delivered almost 302,000 counselling sessions (2015 almost 287,000 sessions) with the help of 1,400 volunteer counsellors (2015 1,362 volunteer counsellors) providing over 175,000 hours (2015 over 172,000 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 our 1,173 School Services volunteers (2015 1,069 School Services volunteers) we've visited 8,416 schools (2015 visited 7,314 schools) reaching 765,958 children across the UK (2015 reaching 630,180 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 £4,728,000 (2015 £3,213,000).

- We have 180 branches and over 700 districts (2015 180 branches and over 700 districts) raising funds around the UK, with around 6,100 members (2015 around 6,500 members) who raised over £3,100,000 (2015 over £3,400,000) in the year through organising local community fundraising events.
- In addition there are approximately 70 volunteers (2015 approximately 70 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).

## 12. 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 opposite. The information is taken from the audited accounts for the company and therefore includes transactions undertaken with the NSPCC.

	NSPCC Trading 2016 £'000	NSPCC Trading 2015 £'000
<b>Profit and loss account</b>		
Revenue	2,574	4,401
Cost of sales	(1,511)	(1,979)
<b>Gross profit</b>	<b>1,063</b>	<b>2,422</b>
Net operating costs	(199)	(661)
<b>Operating profit</b>	<b>864</b>	<b>1,761</b>
Amount gift aided to NSPCC	(864)	(1,761)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and funds:</b>		
Assets	889	1,322
Liabilities	(859)	(1,292)
<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 2016 £'000	Restated Childline 2015 £'000
Total income	916	932
Total expenditure	(931)	(984)
<b>Net expenditure</b>	<b>(15)</b>	<b>(52)</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward as previously reported	-	-
Prior year adjustment on implementation of FRS 102	15	67
Total funds brought forward as restated	15	67
<b>Funds balance carried forward</b>	<b>-</b>	<b>15</b>
<b>Assets, liabilities and funds:</b>		
Assets	12	23
Liabilities	(12)	(8)
<b>Total funds</b>	<b>-</b>	<b>15</b>

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

### NSPCC results (excluding subsidiaries)

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

	NSPCC excluding subsidiaries 2016 £'000	Restated NSPCC excluding subsidiaries 2015 £'000
Total income	127,227	132,408
Total expenditure	(124,745)	(124,727)
Net (losses)/gains on investments	(516)	723
<b>Net income</b>	<b>1,966</b>	<b>8,404</b>
Actuarial (losses)/gains on defined benefit pension scheme	(571)	(2,903)
<b>Net movement in funds</b>	<b>1,395</b>	<b>5,501</b>
<b>Reconciliation of funds:</b>		
Total funds brought forward as previously reported	82,833	77,872
Prior year adjustment on implementation of FRS 102	453	(87)
Total funds brought forward as restated	83,286	77,785
<b>Funds balance carried forward</b>	<b>84,681</b>	<b>83,286</b>

Total income for the NSPCC excluding subsidiaries, includes the gift aid donation from the NSPCC Trading Company Limited of £864,000 (2015 £1,761,000) and the grant from Childline of £931,000 (2015 £984,000).

## 13. 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 2015	28,012	17,736	7,658	53,406	13,582	66,988
Additions	379	118	155	652	1,604	2,256
Disposals	(170)	(748)	(523)	(1,441)	(132)	(1,573)
<b>31 March 2016</b>	<b>28,221</b>	<b>17,106</b>	<b>7,290</b>	<b>52,617</b>	<b>15,054</b>	<b>67,671</b>
<b>Depreciation and amortisation</b>						
1 April 2015	8,972	7,277	3,792	20,041	10,781	30,822
Depreciation and amortisation	404	1,165	1,249	2,818	917	3,735
Disposals	(74)	(748)	(468)	(1,290)	(132)	(1,422)
<b>31 March 2016</b>	<b>9,302</b>	<b>7,694</b>	<b>4,573</b>	<b>21,569</b>	<b>11,566</b>	<b>33,135</b>
<b>Net book value</b>						
<b>31 March 2016</b>	<b>18,919</b>	<b>9,412</b>	<b>2,717</b>	<b>31,048</b>	<b>3,488</b>	<b>34,536</b>
31 March 2015	19,040	10,459	3,866	33,365	2,801	36,166

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.

## 14. Capital commitments

There were capital commitments of £726,000 at 31 March 2016 (2015 £514,000).

## 15. Investments

Group and Charity	UK fixed interest and bond funds			UK Bank deposits £'000	Total 2016 £'000	Total 2015 £'000
	UBS - NSPCC bond fund £'000	Henderson preference and bond fund £'000	M&G corporate bond fund £'000			
Market value at 1 April	11,538	4,721	11,562	21,541	49,362	46,300
Purchases at cost	5,454	122	-	6,749	12,325	19,593
Disposals at carrying value	(5,330)	(149)	-	(8,947)	(14,426)	(17,254)
Realised gain /(loss) on investment	(45)	-	-	-	(45)	(86)
Unrealised gain /(loss) on investment	(3)	(170)	(298)	-	(471)	809
<b>Value at 31 March</b>	<b>11,614</b>	<b>4,524</b>	<b>11,264</b>	<b>19,343</b>	<b>46,745</b>	<b>49,362</b>
Historical cost as at 31 March	11,607	4,642	8,457	19,344	44,050	46,195

Bonds are disposed on maturity and new bonds purchased by the fund manager. UK bank deposits are placed on deposit in accordance with the investment policy, detailed within note 1.10.

The investments include shares in three unlisted companies, which the charity accepted as donations. These shares are included at their nominal value of £1 each (2015 three shares valued at £1 each).

### At 31 March 2016 the following investments represented more than 5 per cent of the portfolio by market value:

	%	Value £'000
UBS - NSPCC bond fund	24.8%	11,614
M&G corporate bond fund	24.1%	11,264
Barclays deposit account	19.4%	9,076
Santander deposit account	10.7%	5,000
Henderson preference and bond fund	9.7%	4,524
Scottish Widows deposit account	9.6%	4,496

## 16. Debtors

	Group		Charity	
	2016 £'000	Restated 2015 £'000	2016 £'000	Restated 2015 £'000
Trade debtors	1,386	1,253	1,214	934
Amounts owed by group undertakings	-	-	652	1,137
Prepayments	2,117	3,093	1,597	2,274
Accrued income	4,943	3,987	4,915	3,854
Other debtors	2,897	3,234	2,884	3,207
<b>Total</b>	<b>11,343</b>	<b>11,567</b>	<b>11,262</b>	<b>11,406</b>

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

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Current investments	11,458	7,349	11,458	7,349
Cash at bank and in hand	988	524	833	477
<b>Total</b>	<b>12,446</b>	<b>7,873</b>	<b>12,291</b>	<b>7,826</b>

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

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

	Group		Charity	
	2016	Restated 2015	2016	Restated 2015
	£'000	£'000	£'000	£'000
Trade creditors	5,324	8,619	5,264	8,579
Accruals	5,589	4,330	5,572	4,312
Deferred income (see note 20)	2,044	1,771	1,922	1,682
Taxation and social security	1,580	1,632	1,580	1,632
Other creditors	1,207	1,098	1,200	1,082
Grants payable	684	58	684	58
<b>Total</b>	<b>16,428</b>	<b>17,508</b>	<b>16,222</b>	<b>17,345</b>

## 19. Provisions for liabilities

Group and Charity	Dilapidations on leasehold properties	Restructuring	Other	Total
	£'000	£'000	£'000	£'000
Carrying amount at 1 April 2015	3,019	516	594	4,129
Additions and remeasurement	254	483	-	737
Amounts charged against the provision	(282)	(20)	(181)	(483)
Unused amounts reversed	(89)	-	(364)	(453)
<b>Carrying amount at 31 March 2016</b>	<b>2,902</b>	<b>979</b>	<b>49</b>	<b>3,930</b>
<b>Commitments are likely to be met:</b>				
Within one year	869	979	49	1,897
After one year and less than five years	580	-	-	580
After five years	1,453	-	-	1,453
<b>Total</b>	<b>2,902</b>	<b>979</b>	<b>49</b>	<b>3,930</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.

## 20. Deferred income

	Restated 1 April 2015	Deferred	Released	31 March 2016
	£'000			£'000
Statutory sources	21	271	(21)	271
Other non-statutory sources	1,015	823	(1,015)	823
Income from fundraising activities	646	828	(646)	828
<b>Total for the Charity</b>	<b>1,682</b>	<b>1,922</b>	<b>(1,682)</b>	<b>1,922</b>
Income from fundraising activities	89	122	(89)	122
<b>Total for the Group</b>	<b>1,771</b>	<b>2,044</b>	<b>(1,771)</b>	<b>2,044</b>

The main reasons for deferrals are as follows:

	Group		Charity	
	2016	Restated 2015	2016	Restated 2015
	£'000	£'000	£'000	£'000
Performance related grant conditions not met	847	734	847	734
Potentially refundable income received for future events	949	735	827	646
Other deferrals	248	302	248	302
<b>Total</b>	<b>2,044</b>	<b>1,771</b>	<b>1,922</b>	<b>1,682</b>

The presentation of this note has been restated to separately identify income deferred due to performance related grant conditions which have not yet been met.

## 21. 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 £3,598,000 (2015 £3,715,000). As at 31 March 2016, £397,000 was outstanding and included in creditors (2015 £476,000). 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 2012

and updated to 31 March 2016 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 £8,200,000. The Society has agreed with the trustees that it will aim to eliminate the deficit over a period of 5 years and 8 months from 5 April 2013 by the payment of £2,000,000 per annum until 31 December 2014 and £1,000,000 per annum from 1 January 2015 to 31 December 2018. These contributions include £400,000 per annum as an allowance in respect of levies to the Pension Protection Fund and management and administration expenses. In addition, the Society has agreed with the trustees that it will review discretionary increases on pensions built up before 6 April 1997 on an annual basis, capped at £500,000 per annum. A triennial valuation is currently being carried out, and contributions will be reviewed as part of this.

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

	31 March 2016	31 March 2015
	£'000	£'000
Fair value of plan assets	165,883	166,111
Present value of defined benefit obligation	(157,719)	(164,740)
<b>Surplus in plan</b>	<b>8,164</b>	<b>1,371</b>
Unrecognised surplus	(8,164)	(1,371)
<b>Defined benefit asset to be recognised</b>	<b>-</b>	<b>-</b>

## 21. NSPCC Pension Schemes (continued)

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

	<b>31 March 2016 £'000</b>	<b>Restated 31 March 2015 £'000</b>
Defined benefit obligation at start of period	164,740	152,479
Expenses	429	423
Interest expense	5,677	6,605
Actuarial (gains)/losses	(7,303)	10,801
Benefits paid and expenses	(6,324)	(6,068)
Losses due to benefit changes	500	500
<b>Defined benefit obligation at end of period</b>	<b>157,719</b>	<b>164,740</b>

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

	<b>31 March 2016 £'000</b>	<b>Restated 31 March 2015 £'000</b>
Fair value of plan assets at start of period	166,111	154,853
Interest income	5,730	6,726
Actuarial (losses)/gains	(1,134)	8,350
Contributions by the Society	1,500	2,250
Benefits paid and expenses	(6,324)	(6,068)
<b>Fair value of plan assets at end of period</b>	<b>165,883</b>	<b>166,111</b>

The actual return on the plan assets over the period ended 31 March 2016 was £4,596,000.

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

	<b>31 March 2016 £'000</b>	<b>Restated 31 March 2015 £'000</b>
Expenses	429	423
Losses due to benefit changes	500	500
<b>Defined benefit costs recognised in expenditure</b>	<b>929</b>	<b>923</b>
Actuarial (losses)/gains on assets	(1,134)	8,350
Actuarial (losses)/gains on liabilities	7,303	(10,801)
Effects of changes in the amount of surplus that is not recoverable (net of interest income not recognised due to restricted surplus)	(6,740)	1,124
<b>Actuarial (losses) on defined benefit pension scheme</b>	<b>(571)</b>	<b>(1,327)</b>

### Assets:

	<b>2016 £'000</b>	<b>2015 £'000</b>
UK equities	14,369	15,652
Overseas equities	14,556	16,374
Indexed linked gilts	3,848	3,778
Absolute return fund	21,460	24,257
Diversified growth fund	44,350	48,602
Property	8,349	7,566
Cash	511	486
Insured annuities	58,440	49,396
<b>Total assets</b>	<b>165,883</b>	<b>166,111</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:

	<b>2016</b>	<b>2015</b>
Discount rate	3.6% pa	3.5% pa
Inflation (RPI)	2.9% pa	3.1% pa
Inflation (CPI)	1.9% pa	1.9% pa
Allowance for revaluation of deferred pensions of CPI or 5% pa if less	1.9% pa	1.9% pa
Allowance for pension in payment increases of RPI or 5% pa if less	2.9% pa	3.0% pa

The mortality assumptions adopted at 31 March 2016 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2016	21.4
Female retiring in 2016	23.4
Male retiring in 2036	22.7
Female retiring in 2036	24.9

## 22. Operating lease commitments

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

	<b>Land and buildings 2016 £'000</b>	<b>Other 2016 £'000</b>	<b>Land and buildings 2015 £'000</b>	<b>Other 2015 £'000</b>
<b>Group and Charity</b>				
Not later than one year	1,120	54	1,745	66
Later than one year and not later than five years	1,008	87	1,533	81
Later than five years	9	-	37	-
<b>Total</b>	<b>2,137</b>	<b>141</b>	<b>3,315</b>	<b>147</b>

## 23. Endowment, restricted and designated funds

	Restated Balance					Balance
	1 April			Gains /	Transfers	31 March
Permanent endowment funds	2015	Income	Expenditure	(losses)		2016
Charity	£'000	£'000	£'000	£'000	£'000	£'000
Permanent endowment fund	1,380	-	(3)	(15)	-	1,362
N Knatchbull endowment fund	10	-	-	-	-	10
M Glaister fund	10	-	-	-	-	10
A Sykes fund	9	-	-	-	-	9
<b>Total permanent endowment funds</b>	<b>1,409</b>	<b>-</b>	<b>(3)</b>	<b>(15)</b>	<b>-</b>	<b>1,391</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						
Activities to end cruelty to children funded by other restricted donations	250	6,713	(6,794)	-	-	169
Capital Projects, including Acquisition of Buildings	6,621	16	(150)	-	-	6,487
<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)	-	-	-
Capital Project, helpline Information	713	-	-	-	-	713
System Transformation funded by the Department for Education						
Serious Case Review Learning into Practice Project funded by the Department for Education's Children's Social Care Innovation Programme						
The Childline & NSPCC helpline transformation project 'Doing More for Children' funded by the Department for Education	-	287	(287)	-	-	-
New Orleans Intervention Model (NIM) in London funded by the Department for Education	-	683	(683)	-	-	-
New Orleans Intervention Model (NIM) for Infant Mental Health in Scotland funded by the Big Lottery Fund	60	199	(191)	-	-	68
New Orleans Intervention Model (NIM) Glasgow 'Young Families' pilot funded by Scottish Power Foundation	-	35	-	-	-	35
Childline Foyle helpline in Londonderry funded by the Department of Education Northern Ireland	-	266	(266)	-	-	-
Childline counselling staff salaries in Northern Ireland funded by the Department of Health, Social Services & Public Safety (DSSHPS) of Northern Ireland	-	62	(62)	-	-	-
"A Better Start" project in Blackpool funded by the Big Lottery Fund	57	1,302	(1,359)	-	-	-
The London 'Child Sexual Exploitation (CSE) Hub and Spoke Project' funded by the Big Lottery Fund	-	37	(24)	-	-	13
The 'Young Mum's Participation' project in Scotland funded by the Big Lottery Fund	4	-	(3)	-	-	1

	Restated Balance					Balance
	1 April			Gains /	Transfers	31 March
Details are given below in respect of restricted funds where separate disclosure is required by the funder:	2015	Income	Expenditure	(losses)		2016
	£'000	£'000	£'000	£'000	£'000	£'000
NSPCC Childline Service in Scotland funded by the Big Lottery Fund and the Scottish Government	-	160	(160)	-	-	-
Third Sector Early Intervention Fund						
Childline's anti-bullying work in Scotland funded by the Scottish Government	-	83	(83)	-	-	-
Funding for a volunteer co-ordinator in Scotland from the Scottish Government Childline in Wales funded by the Welsh Government	-	32	(32)	-	-	-
'Children and Families Organisation' (CFOG) Schools Service in North London, Devon and Cornwall funded by the players of People's Postcode Lottery	-	76	(76)	-	-	-
The London 'Child Sexual Exploitation (CSE) Hub' and Spoke Project funded by Comic Relief	-	26	(26)	-	-	-
Funding for the salary costs of two 'Protect and Respect' case workers from The City of London Corporation's charity, City Bridge Trust	17	90	(86)	-	-	21
<b>Total restricted funds</b>	<b>8,076</b>	<b>21,484</b>	<b>(21,393)</b>	<b>-</b>	<b>-</b>	<b>8,167</b>
<b>Total restricted and endowment funds</b>	<b>9,485</b>	<b>21,484</b>	<b>(21,396)</b>	<b>(15)</b>	<b>-</b>	<b>9,558</b>
<b>Designated funds</b>						
<b>Charity</b>						
Freehold and leasehold properties	23,268	-	(1,427)	-	214	22,055
Letting the future in	-	89	(89)	-	-	-
<b>Total designated funds</b>	<b>23,268</b>	<b>89</b>	<b>(1,516)</b>	<b>-</b>	<b>214</b>	<b>22,055</b>
<b>Other unrestricted funds</b>						
<b>Charity</b>						
General funds	50,533	103,849	(99,098)	(501)	(1,714)	53,069
<b>Total general funds for the Charity</b>	<b>50,533</b>	<b>103,849</b>	<b>(99,098)</b>	<b>(501)</b>	<b>(1,714)</b>	<b>53,069</b>
<b>Subsidiary companies</b>						
NSPCC Trading Company Limited	30	2,574	(2,574)	-	-	30
Childline	15	916	(931)	-	-	-
<b>Total general funds for the Group</b>	<b>50,578</b>	<b>107,339</b>	<b>(102,603)</b>	<b>(501)</b>	<b>(1,714)</b>	<b>53,099</b>
Pension reserve	-	-	(929)	(571)	1,500	-
<b>Total funds for the Group</b>	<b>83,331</b>	<b>128,912</b>	<b>(126,444)</b>	<b>(1,087)</b>	<b>-</b>	<b>84,712</b>

Income within general funds for the charity excludes the gift aid donation of £864,000 from NSPCC Trading Company Limited and the grant of £931,000 from Childline.

The transfers from general funds are £1,500,000 for payments in relation to pensions and £214,000 to designated funds in relation to property additions.

## 24. Analysis of group net assets between funds

Fund balances at 31 March 2016 are represented by:

	Unrestricted		Restricted £'000	Endowment £'000	Total funds £'000
	General £'000	Designated £'000			
Tangible and intangible fixed assets	5,309	22,055	7,172	-	34,536
Investments	45,383	-	-	1,362	46,745
Current assets and liabilities	6,337	-	995	29	7,361
Provisions	(3,930)	-	-	-	(3,930)
<b>Total net assets</b>	<b>53,099</b>	<b>22,055</b>	<b>8,167</b>	<b>1,391</b>	<b>84,712</b>

Of the restricted funds represented by tangible and intangible fixed assets £6,276,000 relates to freehold and leasehold property, £883,000 relates to intangible assets and £13,000 relates to other tangible fixed assets.

Included in the restricted funds represented by current assets and liabilities figure is £26,000 which relates to restricted donations to be spent on Intangible assets - development software.

## 25. Legacies

The NSPCC has been notified of 797 legacies (2015 686 legacies) which have not been included within the financial statements as they do not yet meet the income recognition criteria. This includes 70 pecuniary legacies which have an average value of £14,418 (2015 46 legacies with an average value of £13,225). Pecuniary legacies are only recognised once notification of probate is received. The remaining 727 are residuary legacies, which have an average value of £43,886 (2015 640 legacies with an average value of £43,888). Residuary legacies are normally recognised once draft accounts are received or other information which allows them to be measured with reasonable accuracy. Included within the above figures are 13 pecuniary legacies (2015 8) and 143 residuary legacies (2015 144) which are not recognised because they are subject to a life interest.

## 26. Related party transactions

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

Related party transactions with NSPCC Pension Scheme are disclosed in note 21. Related party transactions with the trustees are detailed within in notes 4 and 7. There were no transactions with other related parties in the year.

## 27. Events after the balance sheet date

Following the commencement of the NSPCC's five year strategy to 2021, the trustees have carefully considered the learning from the previous strategy period, the resources available to the charity and how those resources might be allocated to greatest effect. The trustees have identified restructuring actions necessary to support the delivery of the strategic objectives set.

As a result of this review, on 8 August 2016 the trustees announced their decision to cease the delivery of intensive services in nine of our locations and to restructure the delivery of services in London. They anticipate that the following costs will be incurred during 2016/17 as part of this restructuring process:

- Staff redundancies at closed sites: £1.4 million
- Asset write offs associated with closed sites: £2.0 million
- Provision for onerous leases at closed sites: £1.9 million

# NSPCC offices



### Headquarters and registered office address

Weston House  
42 Curtain Road  
London EC2A 3NH  
Tel: 020 7825 2500

### Regional offices/ service centres

**Cymru/Wales**  
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Treglown Court  
Dowlais Road  
Cardiff CF24 5LQ  
Tel: 02920 108 081

### Northern Ireland

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Jennymount Business Park  
North Derby Street  
Belfast BT15 3HN  
Tel: 028 2044 1524

### Scotland

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62 Templeton Street  
Glasgow G40 1DA  
Tel: 0141 212 3844

### North East and Cumbria

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Starbeck Avenue  
Newcastle upon Tyne  
NE2 1RH  
Tel: 0191 227 5300

### North West

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Tel: 0161 393 4400

### Yorkshire and the Humber

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St John's Offices  
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Leeds LS2 8LQ  
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### East Midlands

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6 Church Street  
Old Basford  
Nottingham NG6 OGD  
Tel: 0115 896 3309

### West Midlands

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Edgbaston  
Birmingham B16 9NX  
Tel: 0121 227 7577

### North London and East of England

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Tel: 0203 763 2277

### South London and the South East

Pear Tree House  
68 West Road  
Gillingham ME7 1EF  
Tel: 01634 564659

The National Society for the Prevention of Cruelty to Children (NSPCC) is registered with the Charity Commission under registration number 216401, and with the Office of the Scottish Charity Regulator under number SCO37717; it is also registered as a Guernsey Registered Charity (registered number CH214) and as a Non-Profit Organisation in Jersey (NPO0588)

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# NSPCC



Find out more about our work at  
[nspcc.org.uk](https://www.nspcc.org.uk)